

C
G295Zf
1919/20

LIBRARY
OF THE
UNIVERSITY OF ILLINOIS

BULLETIN 8

Georgetown University

SCHOOL OF FOREIGN SERVICE



YEAR BOOK

FEBRUARY, 1919 ——— FEBRUARY, 1920

INCLUDING REPORT OF THE
FOUNDATION EXERCISES
NOVEMBER 25, 1919

PUBLISHED BY THE UNIVERSITY
WASHINGTON, D. C.
FEBRUARY, 1920

The person charging this material is responsible for its return to the library from which it was withdrawn on or before the **Latest Date** stamped below.

Theft, mutilation, and underlining of books are reasons for disciplinary action and may result in dismissal from the University.

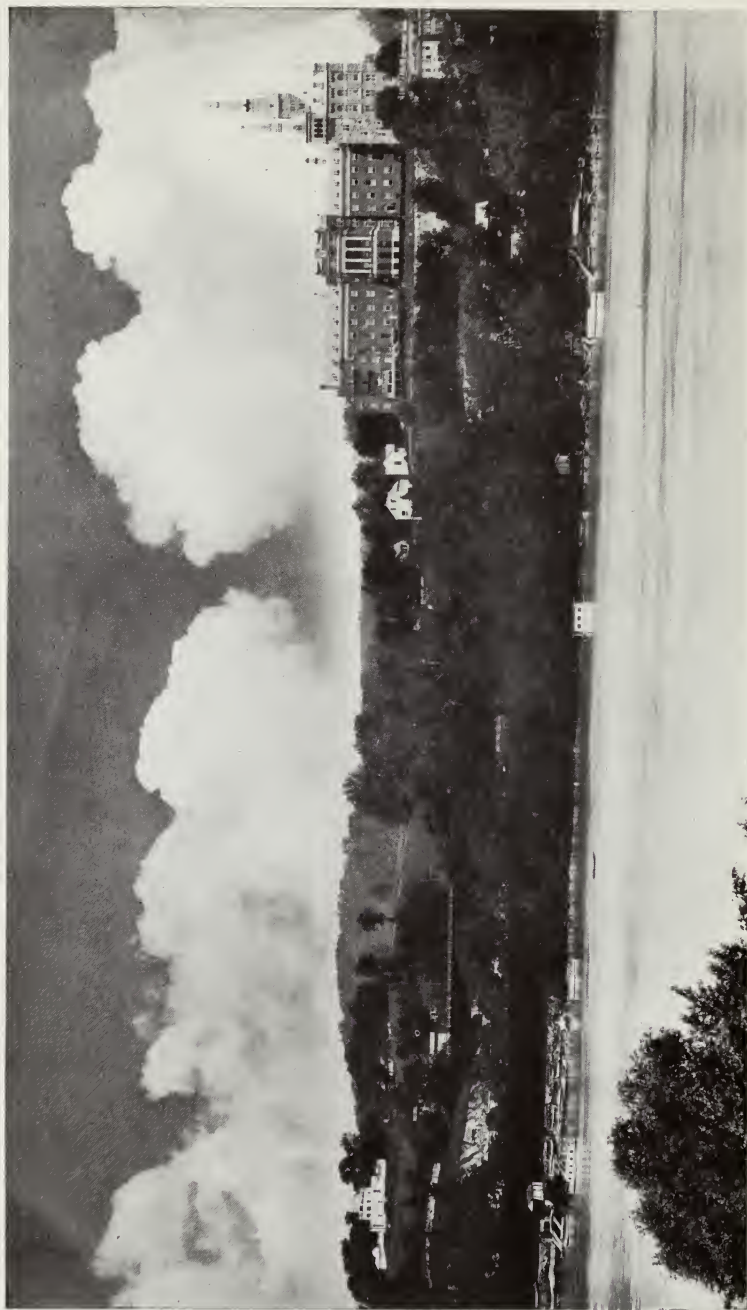
UNIVERSITY OF ILLINOIS LIBRARY AT URBANA-CHAMPAIGN

MAR 22 1977

FEB 23 1977

Georgetown University
SCHOOL OF FOREIGN SERVICE





GEORGETOWN COLLEGE FROM THE VIRGINIA HILLS. POTOMAC RIVER IN FOREGROUND

SERIES I

BULLETIN 8

Georgetown University

SCHOOL OF FOREIGN SERVICE



YEAR BOOK

FEBRUARY, 1919 ——— FEBRUARY, 1920

INCLUDING REPORT OF THE
FOUNDATION EXERCISES
NOVEMBER 25, 1919

PUBLISHED BY THE UNIVERSITY
WASHINGTON, D. C.
FEBRUARY, 1920

LETTER OF SUBMITTAL

OFFICE OF THE REGENT

SCHOOL OF FOREIGN SERVICE

GEORGETOWN UNIVERSITY

WASHINGTON, D. C.

*To the President of
Georgetown University.*

SIR:

It was with a deep sense of the responsibility attaching to such an undertaking that the organizers of the School of Foreign Service received, in December, 1918, your charge to establish and conduct a department devoted exclusively to training for foreign trade and government service. Were it not for the confidence which your leadership engendered and the stimulus experienced from your unfailing cooperation, the inherent difficulties might easily have mastered the resourcefulness and physical energies of your subordinates. But the events of the past year and the growth of the school from modest beginnings to an enrollment of three hundred, have amply vindicated the confidence then felt and handsomely repaid the labors undergone in evolving what was practically a new creation, a type of training that had, as it were, to be cut from the whole cloth, without native pattern or precedent.

The extent of the evolution of the idea and the direction of its development are indicated in the accompanying documents which have been assembled and are hereby presented as a summary record of growth during the first year of the school's existence.

The proud traditions that cluster thick about the institution which you govern and the long line of illustrious sons of Georgetown whose names challenge emulation, point to one clear path of duty for the new School of Foreign Service.

Rome deified Law; Greece deified Beauty. But Law and Beauty without Conscience are but blind guides to ultimate truth. Hence, the grandeur of the one is a declamation for schoolboys and the glory of the other a haunting memory for thoughtful men. They passed to rise no more, because Roman Law and Grecian Beauty were unilluminated by the light that streamed from Judea.

Born in an hour that enriches it with a heritage of dearly purchased lessons in the meaning of true citizenship and pure patriotism, the School of Foreign Service hopefully dedicates its future to the exemplification of the Christian trilogy;—to Law, that Justice may prevail in the economic and political sciences; to Beauty, that she may not walk unnoticed in the busy marts of trade, among the money changers, and to Conscience, that sound Morality may ever guide our beloved country and countrymen in all their dealings, be they with nations or individuals.

Respectfully submitted,

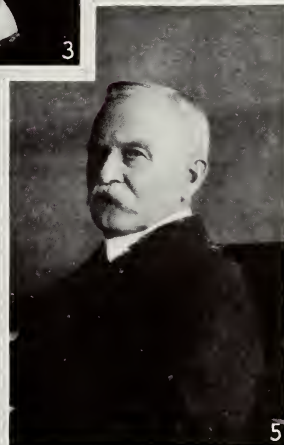
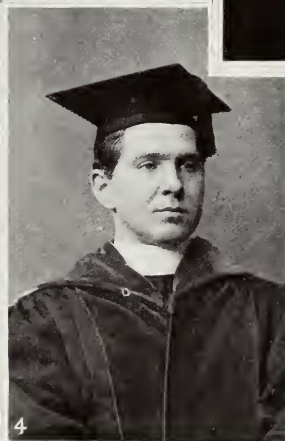
EDMUND A. WALSH, S. J.

Regent.

February 5, 1920.

TABLE OF CONTENTS

	<i>Page</i>
IDEALS OF THE SCHOOL OF FOREIGN SERVICE.....	7
THE NEED OF SCIENTIFIC TRAINING.....	9
HISTORY OF THE FOUNDATION.....	10
COURSE OF STUDIES TO BE FOLLOWED.....	10
PROVISIONAL SEMESTER, FEBRUARY-JUNE, 1919.....	11
FACULTY OF THE SCHOOL OF FOREIGN SERVICE.....	12
DEGREES AND CERTIFICATES.....	14
AN OBJECTION ANSWERED.....	15
ADDRESS OF THE PRESIDENT OF THE UNIVERSITY.....	17
ADDRESS OF THE DEAN OF THE DEPARTMENT OF ARTS AND SCIENCES.....	18
ADDRESS OF THE DEAN OF THE GRADUATE SCHOOL.....	20
ADDRESS OF THE DEAN OF THE MEDICAL SCHOOL.....	20
ADDRESS OF THE DEAN OF THE LAW SCHOOL.....	22
ADDRESS OF THE DEAN OF THE SCHOOL OF DENTISTRY.....	25
FORMAL INCORPORATION OF THE SCHOOL OF FOREIGN SERVICE AS A DISTINCT DEPARTMENT OF THE UNIVERSITY.....	25
ADDRESS ON FOREIGN EXCHANGE, BY HON. ADOLPH C. MILLER, FEDERAL RESERVE BOARD.....	27
ADDRESS OF THE ACTING SECRETARY OF COMMERCE, HON. EDWIN F. SWEET.....	38
ADDRESS OF THE ASSISTANT SECRETARY OF STATE, HON. WILLIAM PHILLIPS.....	42
LETTER OF THE CHAIRMAN OF THE NATIONAL FOREIGN TRADE COUNCIL, MR. JAMES A. FARRELL.....	45
THE FUNCTION OF THE DIPLOMAT IN TRADE PROMOTION, BY U. GRANT SMITH, U. S. COMMISSIONER TO HUNGARY.....	49
OUR DIPLOMATIC AND CONSULAR SERVICES—OUTLINE OF ORGANIZATION AND DUTIES—BY U. GRANT SMITH.....	54
THE CONSULAR SERVICE AS A PROFESSION, BY U. S. CONSUL WESLEY FROST.....	57
STATEMENT OF THE DIRECTOR OF THE AMERICAN CONSULAR SERVICE, THE HONORABLE WILBUR J. CARR.....	62
LEGISLATION FOR IMPROVEMENT OF THE DIPLOMATIC AND CONSULAR SERVICES OF THE UNITED STATES.....	64
EDUCATION FOR THE BUSINESS OF EXPORTING, BY DR. R. S. MACELWEE.....	68
THE OLD CLIPPER DAYS, BY JULIAN S. CUTLER.....	76
LETTER FROM THE <i>School of Political Sciences</i> , PARIS.....	77
APPRECIATIONS OF THE SCHOOL OF FOREIGN SERVICE—	
THE PHILADELPHIA PUBLIC LEDGER	78
NEW YORK EVENING MAIL.....	79
SPECIMENS OF EXAMINATIONS HELD IN THE SCHOOL OF FOREIGN SERVICE....	81



1. JOHN B. CREEDEN, S. J.
President, Georgetown University

2. W. COLEMAN NEVILS, S. J.
Dean, Department of Arts and Sciences

3. HON. WILLIAM PHILLIPS
The Assistant Secretary of State

4. EDMUND A. WALSH, S. J.
Regent, School of Foreign Service

5. HON. EDWIN F. SWEET
Acting Secretary of Commerce

Academic Exercises in Gaston Hall, November 25, 1919

PRESENT: THE VARIOUS FACULTIES OF THE UNIVERSITY IN
CAPS AND GOWNS, INVITED GUESTS, THE STUDENT BODY

PART I

THE AIMS OF THE SCHOOL OF FOREIGN SERVICE

EDMUND A. WALSH, S. J.

Regent of the School of Foreign Service

No ordinary motive could have served to bring together to-night a gathering of such diverse interests, and representatives of such important organizations as the Departments of State, Commerce, and War, of the Federal Reserve Board, the Legislative bodies of the Government, members of the Diplomatic Corps and of the various faculties of this ancient and revered University. The occasion is thought-compelling. It commemorates the recognition of new problems and the assumption of new obligations by an educational institution whose genius has ever been to conserve the true idea of a university by broadening its scope in response to the growing demands made on human knowledge by the ever-multiplying specializations of man's activity.

In a dramatic way, largely by the fortunes of war, vast economic and political power has lately been transferred to the keeping of our beloved nation. And foreign trade has come to be acknowledged as the index of such influence. Nor is this development of our overseas commerce wholly the mushroom growth of a night, deriving its vigor from the temporary excitement and abnormal conditions prevalent in periods of reconstruction. Although the de-provincializing stages through which the American mind has progressed during the last four

years might normally have required another generation, nevertheless, our adaptability for foreign commerce is of no sudden growth and of no adventitious seed. Its roots are of a fibre which nearly three centuries have nourished, and the perpetuity of its destiny is written in legible characters, as well in the nature of our country as in the disposition of its inhabitants. Consider, ladies and gentlemen, our two coast lines, from Passamaquoddy, Maine, to the Rio Grande, from Sitka to Santa Barbara, and behold the deep and far-winding creeks and inlets, the noble basins, the projecting headlands, the majestic rivers, and those sounds and bays more like inland seas than like anything called by those names in other quarters of the globe! Can any man do this and not realize that the ultimate destiny of the people inhabiting such a country is essentially maritime? The purpose of Providence relative to the destination of men is often to be gathered from the circumstances in which the Creator's bounty has placed them.

But the mere physical distribution of articles of American manufacture, the mere geographic expansion of our foreign trade, is by no means the "be-all" and the "end-all" of our national aspirations. To achieve the full stature of the great nation which a beneficent Providence has clearly destined us to be, we must, beyond material prowess, have a *great soul*, a *great heart*, a *great mind*. History, with all its volumes, has one clear lesson,—a lesson written anew across its pages with fire and sword during these last awful years,—that no nation can long endure which bases its habitual policy on contempt of fundamental human rights and disregard of human relationships. The awakened consciousness of these essential human rights and their reciprocal obligations, together with the realization of the very definite lesson that the peoples of the world constitute one huge family, whose interests are common and whose members are interdependent, has proved to be one of the most valuable by-products of the world tragedy, now happily ended. And it is precisely here that the educational forces of the community join hands with the commercial and industrial interests for the fulfillment of our joint obligations.

The quick mobilization of the colleges for war in the Fall of 1918 must ever remain one of the most stimulating and proud pages in the history of American education. Unprepared as

we were for war, we have highly resolved that we shall not be unprepared for peace. Having entered upon the stage of world-politics and world-commerce we assume world-wide obligations. Our viewpoint can never be quite the same again. New occasions teach new duties, none more insistently than that of scientific education for those to whom shall be entrusted the good name and the forwarding of the material interests of the United States in foreign parts.

That foreign commerce is to dominate the new American era and serve as the medium of reconstruction between nations is written large at the head of the chapter just begun in the annals of our people. World commerce properly conducted safeguards world peace and promotes the common weal. It is, therefore, so clear as hardly to need restatement that only in such measure as we equip our business men and official representatives with an accurate knowledge of a given field, with a practical acquaintance with foreign languages and a wider and deeper sympathy with the economic, political and social conditions of the people of other lands, may we expect them effectively to represent us in official life or successfully promote the expansion of our commerce. The imperative need for a constructive program of preparation, clearly perceived during the past ten years by those cognizant with our commercial expansion and growing participation in international affairs has now with disconcerting suddenness presented itself for immediate solution.

If desirable before, such a corps of specially trained men is indispensable now, and their technical training should rest squarely upon a broad and liberal education, combining the best elements of age-long cultural traditions with the bracing atmosphere of individuality, characteristic of our educational institutions in the United States. It is obvious, therefore, that a training school is needed particularly devoted to preparation for foreign service in public or private interests, where the youth of to-day may be fitted to cope with and effectively solve the problems of to-morrow. We train for medicine, we train for law, we train for divinity, we train for all the scientific professions; shall the candidate for foreign service alone stand an outcast among the learned?

We have been giving this much thought here in Washington. The last five years have created a tremendous demand for men

qualified for government service, but the departments and administrative bodies have had difficulty in finding them. Again and again the idea was revived of providing some systematic training. The conclusion was reached that a vast amount of excellent material was being wasted, both teacher material and student material. Experts in every line imaginable are available here, and an uncommonly high type of man will be found in the departments engaged in clerical services of one kind or another, and only too anxious to study. After mature deliberation and in consultation with an advisory committee representing the various interests, public and private, calling for such service, and having been assured of the practical cooperation of leaders of public thought and commerce, the University launched the School of Foreign Service. The Georgetown School will provide thorough training in the following groups and subjects:

GROUP A <i>Language and Cultural</i>	GROUP C <i>Political Science</i>
English French Spanish Russian Portuguese Chinese Japanese Arabic Rhetoric Moral Philosophy	International Law Commercial Law Export Combinations and Webb-Pomerene Law Constitutional Laws of the U. S. Administrative Procedure Elements of Diplomacy History and Principles of the Diplomacy of U. S. Consular Practice Foreign Laws
GROUP B <i>Economic and Commercial</i>	GROUP D <i>Shipping</i>
Political Economy Economic Resources of United States Physical Geography Commercial Development Statistics Transportation Methods and Requirements Public Finance Elementary Banking Foreign Exchange Accounting Principles Export Sales Practice Document Technique of Foreign Trade Staple Commodities of World Trade Tariffs and Treaties History of Commerce History of Modern Europe History and Resources of Latin America The Far East	Ocean Transportation Ports and Terminal Facilities Marine Geography Steamship Accounting Admiralty Law Marine Insurance

In Washington a school of this nature will count upon factors of great importance, not to be found in any other city in the Union. The State Department is here with its files, its libraries and the close association and encouragement of its staff. The diplomatic corps in Washington is as large and representative as that of any capital in the world, and its members will be available for lectures in certain of the courses of the school. The Library of Congress, the Pan-American Union, the Carnegie Endowment for International Peace, the Carnegie Institution, the elaborate files and library of the Department of Commerce, as well as other official and semi-official agencies both national and international, afford a wealth of material for the person about to engage in any branch of foreign service, particularly in the public service.

A provisional semester, begun February 17, 1919, and ending June 17, 1919, gave such promise of ultimate success that we hereby petition, sir, that the School of Foreign Service be included among the established departments of this University, with the customary rights and privileges, particularly that of presenting candidates for academic degrees.

Since February 17, 1919, nearly 1300 men applied for information, and approximately half that number sought admission, but space, which in Washington is one of the rarest treasures, forbade a larger registration than 300.

Funds covering the initial year were secured, and our present aim is to secure the necessary endowment and acquire a permanent building which shall be the West Point of foreign service and a national clearing house of foreign trade information. And it is here that the University wishes publicly and sincerely to thank the public-minded citizen of Brooklyn, New York, Mr. James A. Farrell, Chairman of the National Foreign Trade Council, for an initial contribution of \$20,000 towards the permanent endowment fund. (Applause.) Due to the foresight of this forward-looking man the National Foreign Trade Council was established, even before the weight of present problems made it evident that specialized education for foreign trade must be provided, and with the keen vision that characterizes his outlook upon the economic situation he has striven for five years to bring about just such a consummation as we see to-night. To him not only is the University indebted, but also the whole

commercial and economic world, for his initial encouragement and very substantial aid towards the fulfillment of those ideals which both he and the University cherish.

We have secured temporary quarters in the Law School building, where that department has loaned us the entire third floor of their new annex. We are accommodating at present 300 students comfortably. From the commercial and educational personnel available at the National Capital and its vicinity has been assembled the following faculty, which is hereby presented to the University.

- JOHN B. CREEDEN, S. J., Ph. D. *Chairman ex-Officio*
President, Georgetown University.
- ERNEST L. BOGART, Ph. D. *Money, Banking and Foreign Exchange*
Regional Economist, Office of the Foreign Trade Adviser, State Department.
- HENRY S. BOUTELL, LL. D. *International Law ; Constitutional Law*
Of the faculty of Georgetown Law School, former U. S. Minister to Switzerland.
- HERMAN G. BROCK, A. B. *Staple Commodities of World Trade*
Assistant Director, Bureau of Foreign and Domestic Commerce, Department of Commerce.
- J. DE SIQUEIRA COUTINHO, Doc. Sc. in Tech. *Instructor in Portuguese*
Of the Pan-American Union.
- WILLIAM S. CULBERTSON, Ph. D., LL. D. *Tariffs and Commercial Treaties*
Member of the Tariff Commission of the United States.
- WILLIAM M. DEVINY, Ph. D. *Accounting and Business Practice*
Instructor in Commerce and Accounting, Catholic University of America, Washington, D. C.
- BASILE G. BEAUGENCY D'OUAKIL, Lic-ès-I; Ph. D. (Lyons, France)
..... *Instructor in the French Language*
Member of the Academic Society of International History, Paris.
- WESLEY FROST, A. B., A. M. *Consular Practice*
U. S. Consul, Assistant Foreign Trade Adviser, State Department.
- THOMAS I. GASSON, S. J., Ph. D. *Moral Philosophy*
Dean, Graduate School; Lecturer on Natural and Canon Law, Law School.
- GEORGE E. HAMILTON, LL. D. *In charge of Legal Studies*
Dean, Georgetown University Law School. Lecturer on Legal Ethics, Law School.
- PROF. RICHARD S. HARVEY, Ph. B. *History of Commerce ;*
Federal Legislation as Affecting Foreign and Domestic Commerce
Of the Georgetown Law School Faculty.
- JOHN H. LATANÉ, Ph. D. *History and Principles of American Diplomacy*
Dean and Professor of History, Johns Hopkins University.

- ROY S. MACELWEE, A. B., B. S., Ph. D. *Ports and Terminal Facilities*
Assistant Director, Bureau of Foreign and Domestic Commerce.
- CONSTANTINE E. MCGUIRE, Ph. D. *Public Finance*
Assistant Secretary-General, International High Commission, Treasury Department.
- DANA G. MONRO, Ph. D. *Latin American Trade Problems*
Regional Economist, State Department.
- WILLIAM F. NOTZ, Ph. D. *Applied Economics*
Chief, Export Trade Division, Federal Trade Commission.
- FRANK A. ROPER, B. S. *Staple Commodities of World Trade*
Formerly of the Bureau of Planning and Statistics, U. S. Shipping Board.
- GUILLERMO A. SHERWELL, Ph. D. *In Charge of Spanish Department*
Juristic Expert, International High Commission, Treasury Department.
- JUAN OVALLE QUINTERO, LL. B. *Instructor in Spanish*
Economic Research Assistant, International High Commission.
- JUSTO PASTOR ALVAREZ, LL. B. *Instructor in Spanish*
Member of the Staff of the International High Commission.
- J. E. M. ALONZO *Instructor in Spanish*
Member of the Staff of the International High Commission.
- MANUEL TORRES. *Instructor in Spanish*
Member of the Staff of the Mexican Embassy.
- P. J. STEVENSON, A. B. *Export Sales Practice ;
Document Technique of Foreign Trade*
Chief of the Commercial Attaché Division, Bureau of Foreign and Domestic Commerce.
- THOMAS R. TAYLOR, A. B., A. M. *Staple Commodities of World Trade*
Trade Commissioner, Bureau of Foreign and Domestic Commerce.
- BORIS VOLYNSKY. *Instructor in Russian*
Of the Staff of the Russian Embassy.
- EDMUND A. WALSH, S. J. Ph. D. *English and Rhetoric*
Regent of the School of Foreign Service ; Former Dean, Department of Arts and Sciences, Georgetown University.
- CHINFU WANGSHIA, A. B., A. M. *Instructor in the Chinese Language*

In the second term the following lecturers will be added:

- FRANCIS R. ELDRIDGE *The Far East*
Chief, Far Eastern Division, Bureau of Foreign and Domestic Commerce;
Former Vice Consul-General, Yokohama, Japan.
- ROBERT M. HUGHES, A. M. *Admiralty Law*
Of the Norfolk Bar ; Author of "Hughes on Admiralty Law."
- EMORY R. JOHNSON, Ph. D., Sc. D. *Ocean Transportation*
Dean of the Wharton School of Finance, University of Pennsylvania.
- PROF. W. F. WILLOUGHBY *The Far East*
Director of the Institute for Government Research ; Former Constitutional Advisor to the Chinese Government.

The program laid out for the student, sir, is a searching one. Some basic courses are prescribed; others will be optional. Upon completion of two full years' work, each year being based upon an attendance of twelve class hours per week, a regular student shall be entitled to a degree or a certificate. Those who have had previous college training for at least two full years may become candidates for the degree, while high school graduates who have had three years' business experience will be given formal certificates.

Special students are those who, because of special aptitude and maturity, are admitted to all classes, even though academic restrictions make it impossible to award them degrees or certificates.

The standard is a high one. We have, in fact, much less concern for numbers than we have as to the caliber and trustworthiness of the training these men will have who shall leave this school and enter foreign service. A dozen resourceful, well-instructed, dependable men in the service of a corporation or of that greatest of all corporations, the United States Government, can not but redound more to the credit of this enterprise, gratify its friends and inspire future classes, than any record attendance we might contrive to accommodate in some slipshod fashion.

Before closing these remarks on the aims of the School of Foreign Service, there is one objection, more speculative perhaps than practical, that may be urged against the Georgetown plan. Is it possible to teach foreign trade, foreign commerce, with all its allied activities, by any system of classroom instruction, however expert? Can commerce, which is essentially action, be learned in any school save that of actual experience? This objection, sir, is by no means new. General Foch in his standard work "The Principles of War" devotes the entire opening chapter to a discussion of the root principles of this difficulty as applied to the teaching of modern warfare. But in point of fact has not the great Marshal sufficiently answered the objection in his own life, especially in its crowning achievement? For General Foch was never in a battle, was never under fire until he was sixty; but like his guiding star, Napoleon, he prepared. He prepared for victory by mastering, through forty years, the invariable principles of war, the application of which varies accord-

ing to circumstances. By the mastery of scientific principles he acquired the art of thinking correctly, of acting quickly and instinctively. Confronted by specific problems he appreciated the situation with all its unknown factors, judged wisely of what was visible, guessed at the unknown, came to a definite decision, acted with energy and drove the invader from France. He did not *learn* his principles in the field, in the face of the enemy, but there he *applied* them. So is it with the lawyer, the doctor, the teacher. Can it be otherwise with commerce, world commerce, the new science, so highly developed now and with such far-reaching ramifications that the prosperity, nay, often the very peace of nations, hangs trembling in its balance?

The brave-hearted founder of the *Ecole Libre des Sciences Politiques*, though drinking to its dregs the bitter cup of national humiliation following the Franco-Prussian War, began then and there to attack the crass ignorance of economic and political principles which in his opinion had led the French nation into that fatal declaration of war. Writing to his friend Ernest Vinet on February 25, 1871, he says:

"It may seem strange that I have chosen the morrow of our terrible defeat to speak of higher education. I do it designedly and I believe at the right moment. It was the University of Berlin that triumphed at Sadowa. One must be blind not to recognize the French ignorance behind that foolish declaration of war which has reduced us to our present position."

From that salutary confession of mistaken policy grew the concept of his wonderful School of Political Sciences, an institution which has carried French influence to all parts of the world and through which, though under private auspices, practically every man who enters the foreign service of the French Republic has passed.

Under somewhat similar circumstances, sir, has a School of Foreign Service been established at the National Capital. Its organizers depend upon the active interest and practical cooperation of the older departments of the University and at the same time will welcome your comments and suggestions. The principles which we will strive to inculcate into the minds of our students are synthesized on three large panels in one of the lecture halls. These panels reproduce certain extracts from the writings of Washington, Lincoln and Daniel Webster. The excerpt from

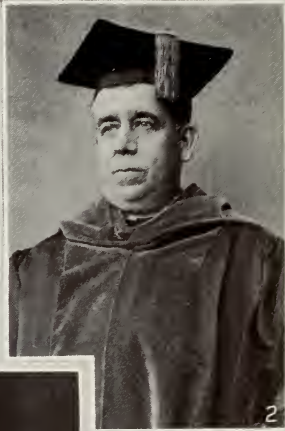
Daniel Webster's Bunker Hill Oration is so strikingly opportune and applicable to our present circumstances, even though it was spoken well nigh a century ago, that I can not refrain from quoting it as the final epitome of the ideals of the School of Foreign Service.

"We live in a most extraordinary age. Events so various and so important that they might crowd and distinguish centuries, are, in our times, compressed within the compass of a single life.

"It is not to inflate national vanity nor to swell a light and empty feeling of self-importance, but it is that we may judge justly of our situation and of our own duties that I earnestly urge this consideration of our position and our character among the nations of the earth. It can not be denied but by those who would dispute against the sun that with America and in America a new era commences in human affairs. And let the sacred obligations which have devolved on this generation and on us sink deep into our hearts.

"In a day of peace let us advance the arts of peace and the works of peace. Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered."

I thank you. (Applause.)



1. GEORGE M. KOBER, M. D., LL. D.
Dean, The School of Medicine

2. THOMAS I. GASSON, S. J.
Dean, The Graduate School

3. HON. ADOLPH C. MILIER
Member Federal Reserve Board

4. GEORGE E. HAMILTON, LL. D.
Dean, The Law School

5. BRUCE L. TAYLOR, D. D. S.
Dean, The School of Dentistry

ADDRESS OF JOHN B. CREEDEN, S. J.

President of Georgetown University

REVEREND REGENT, GENTLEMEN OF THE FACULTY, MEMBERS OF THE SCHOOL OF FOREIGN SERVICE, LADIES AND GENTLEMEN: When the Board of Regents of the University met in June, 1918, after expressing their satisfaction at the war record of the students and the alumni of the University, they turned their attention to the best method of continuing the service of the University, and of extending its usefulness in the days of expected peace. They considered carefully the advisability of developing scientific engineering studies, but concluded that this branch of activity was well provided for in many other excellent institutions throughout the land. But they felt that there was one branch of scientific knowledge in which the University could well specialize, a branch of knowledge which was becoming more and more in demand. It is training for foreign trade.

They recognized that those countries had secured almost a monopoly in modern trade which had sent into foreign lands men who were proficient in languages and carefully trained in the customs and the history of the land to which they went. They recalled, too, that this University is specially qualified for such work. From the first days of the institution its founders were men of cosmopolitan character; every one of them had been trained in a European institution, and after the college had been in operation for twenty years, five of its professors were sent to Europe for five years to study methods of education, and coming back introduced into the college those methods and those ideas which have given the institution an almost international character.

The regents at the time were impressed with the idea that there is no necessary antagonism between culture and commercialism. We sometimes read in criticisms of the United States by those of other lands that we are a nation given to commercialism; but our concept of commercial activity embraces culture of the highest type. The Regents therefore felt that in the

training for foreign service the cultural element was, in a sense, even more important than the technical, because no matter how highly trained an agent might be in a foreign land, unless he is able to detect the susceptibilities of the people with whom he is dealing, unless he is able to be in sympathy with their viewpoints and able to adopt their methods, it will be impossible for him to direct and control trade activities.

Reverend Regent and gentlemen of the Faculty, in accepting to-night this new department of the Institution, I wish to express in the name of the President and Directors the gratitude of the University for the efficient manner in which it has been organized. I wish to express, too, my gratitude to those professors who have so generously and self-sacrificingly cooperated with the Regent in the organization and the development of the Institution. Before the formal acceptance of the School I should like, however, to hear an expression of approval and welcome from the deans of the various departments, and first from the dean of the Faculty of Arts and Sciences, W. Coleman Nevils. (Applause.)

ADDRESS OF W. COLEMAN NEVILS, S. J.

Dean, The College of Arts and Sciences

VERY REVEREND PRESIDENT AND MEMBERS OF THE FACULTY: Coincident with the formulating and construction of our great Constitution of the United States, in the year of our Lord 1789, the first walls of Georgetown began to rise. There were at the time thirteen States, and in their midst was placed our University, our little college then, founded by John Carroll and his associates, whose desire it was and their great effort, to spread the arts and sciences throughout the thirteen States.

We Americans love to watch the growth of our country; we feel a thrill of exultation at each sign of her greater powerfulness. We know that, as she has come forth from her wars ever victorious, so has she grown, and with her growth we love to trace the increase of usefulness on the part of Georgetown University.

It was in 1812 that we received our charter. A few years after the war with Mexico we opened our School of Medicine, in 1851;

and our graduate school in 1855. The wounds of the Civil War were scarcely healed when our School of Law grew forth and was welcomed. At the close of the victorious Spanish War we reared our noble hospital, quickly followed by the opening of our School of Dentistry.

The World War has come upon us and has taught America that she can not stand alone; has taught her to look aloft and to realize that she can not remain in isolation. So, too, is it to be expected that, true to the traditions of our University, we should wish to follow our country in her latest advance, and wish to extend our activities also to foreign shores. Hence we add the new School of Foreign Service.

In the beginning our students came from thirteen States; now all the States, forty-eight in number, are found on our roster, and together with them students from Porto Rico, the Philippines, Hawaii and nine foreign countries. We have grown. We have grown with our country, and so it seems but well that as our country has modified somewhat her former foreign policies and realizes the necessity of training her youth for work in foreign countries, we, true to our loyalty, should welcome a school of foreign service. We must extend the prestige of our commerce; our diplomatic and consular services must be second to none, no matter what their rank; therefore we are giving our young men a training that will fit them to do honor to the United States.

Wherefore, Very Reverend President, in the name of the Faculty of Arts and Sciences, I wish to welcome the School of Foreign Service, and to extend to its Faculty the hand of a brother with a pledge of hearty cooperation. (Applause.)

PRESIDENT CREEDEN. After the Department of Arts and Sciences, the oldest department is that of the School of Medicine, at whose head to-day is a man who has perhaps no superior in devotion in the long line of professors and officials of this Institution. I take great pleasure in presenting him to-night in the person of Dr. Kober.

ADDRESS OF DR. GEORGE M. KOBER, M. D., LL. D.

Dean, The School of Medicine

REVEREND PRESIDENT, REGENTS AND MEMBERS OF THE BOARD OF DIRECTORS OF THE UNIVERSITY: I have the honor to announce that the Faculty of the Medical Department with gratification consents to and welcomes the admission of the School of Foreign Service as a distinct department of the University, with all the rights and privileges thereof.

I have also been instructed to convey to you our sincere and heart-felt felicitations upon the foundation of this new school, which will mark a new and important epoch in the history and beneficent development of this ancient University, and can not fail to reflect honor and glory upon our beloved Alma Mater. (Applause.)

PRESIDENT CREEDEN. In the absence, on account of illness, of the Dean of the Graduate School, I shall call upon the Dean of the Faculty of Arts and Sciences to deliver his message.

ADDRESS OF THOMAS I. GASSON, S. J.

Dean, The Graduate School

(Read by W. Coleman Nevils, S. J.)

“The phenomenal success which has attended the opening of the School of Foreign Service is a conclusive proof that it fills a crying need in our educational system. It is perfectly clear to every reflecting mind that the highest commercial interests of these United States can be best served by an intelligent development of trade relations with other countries. Many countries of the world, especially in South America, in Africa and in Asia, manufacture little or nothing. We are in a position to supply all their needs in the line of finished products, if we only take advantage of the opportunities offered us. Our shoe factories, for example, are so well equipped that we could supply footgear to every individual in the world, while our cotton and woolen factories could supply every member of the human race with a new outfit every year. But this foreign trade can be won only by men properly trained and especially drilled for service

in other lands. We must have the right type of man in our consular service; we must have agents in banking and commercial lines who speak fluently the languages of foreign countries, who can detect the needs and fancies of the various peoples and who are so well disciplined that they can deal tactfully with racial prejudices and antipathies. It is on this account that I greet with heartiest congratulations the establishment of the School of Foreign Service as an integral part of this University.

"In this step Georgetown is acting in accordance with her past traditions. She has always endeavored to be a pioneer in every movement which might render her students more efficient and more helpful to the country. So in this latest enterprise she is the pioneer. Others will undoubtedly follow her example, but to her belongs in all justice the merit of being the first to establish a special department for Foreign Service. If Lord Bacon may rightfully claim the triumphs of steam and electricity, because he taught us how to study nature; if Daniel O'Connell may rightfully claim the triumphs of emancipation through legal measures, because he taught us the power of public opinion and of united action; if our forefathers may rightfully claim the triumphs of government by the people, because they gave the world the Magna Charta of representative rule—so may Georgetown justly claim the triumphs which future ages will record in our commercial prosperity, because she was the first to show the way and to indicate the methods by which that prosperity can be permanently achieved. May our venerable Alma Mater be blessed beyond measure in receiving the encouragement and support needed to carry on this important branch of the country's intellectual life."

PRESIDENT CREEDEN. Very soon after the inception of the Law School, there entered into its halls a young man who had been recently graduated from the academic department of the University. From that day to this, practically, he has been connected with the institution, either as a student, as a professor, or as an official, and under his guiding influence we have seen the school develop from a struggling institution of 150, until it is now one of the largest schools of law in the world. I am sure that we and the School of Foreign Service will appreciate a word of approval and of welcome from Dean Hamilton of the Law School.

ADDRESS OF GEORGE E. HAMILTON, LL. D.

Dean, The School of Law

REVEREND PRESIDENT, GENTLEMEN OF THE FACULTY OF GEORGETOWN UNIVERSITY, LADIES AND GENTLEMEN: Every chapter and every page in the history of Georgetown tells of the labor, the courage, the sacrifice and the devotion of her successive Rectors in their efforts to fulfill the aim of our founder, John Carroll, and to make real his dream that the institution of his creation, whose beginnings were almost coincident with the birth of the nation, should grow with the nation's growth and become and remain always a training school in citizenship for the youth of America. This is not the time to dwell at length upon the achievements of those who have gone before, but it is perhaps the occasion when we may do well for a brief moment to consider the intent of Carroll as expressed in the foundations planned by him for the University of Georgetown.

Carroll's heart and soul were with the colonies in their revolt against oppression, their struggle for liberty. He was a factor, and an important one, in their war for independence and in the building of the foundations of the new republic. Wise in council, prudent in action, great in foresight, he helped to meet the difficulties of that time and saw the dangers that were and were to be, and he saw, perhaps, with a clearer vision than most of his compatriots, that these dangers could only be well and fully met by an intelligent, educated citizenship trained to serve their country and their country's God, for, after all, service to country, when rightly measured, is service to God.

The spirit of Carroll was breathed into his child, and it became and remained the spirit of Georgetown, and his successors through the years have imparted it to the student body. It was the potent force that has made Georgetown, unendowed and dependent solely upon the brain, the humanity, the devotion and patriotism of its founders and those who came after them, grow with the years to meet the growing educational needs of our country.

I will not speak of the struggles of Carroll's school during the earlier years of its existence, or of his advancement through struggle to higher levels of usefulness to country and to humanity. Its progress from a school to a college, from a college to a university, strong in its departments of arts and sciences, of medi-

cine, of law and dentistry, is known to you all, but we may and will with a feeling of just pride remind ourselves that Georgetown, her faculties, students and alumni, whether in the days of stress or in the days of strength, whether in times of peace or in times of war, have never failed or faltered in patriotic response to our country's call.

There is no State in this Union whose citizenship has not been enriched by the conduct, the example and the achievements of her alumni. She has carried strength to State and national legislatures and to the Government in all its departments; she has added dignity and ability to State and Federal judiciaries, and lustre even to the Supreme Court of the United States.

During the great war just ended, her buildings were converted into army training schools, and her sons in numbers aided in carrying the allied armies to victory in France, a victory fought and won that liberty and justice and democracy might be saved to the world.

The war has ended, but difficulties and dangers, greater perhaps, now confront us. The spirit of unrest is everywhere visible and the desire for change is driving men from accepted principles to untried theories. Individualism is increasing and respect for law and government diminishing. These conditions of danger can only be met by the right education of our people. The future is pregnant with danger, dangers which may be overcome successfully only by a strong moral and incorruptible citizenship, and it is for the schools, the colleges and universities to secure to America, and through America to the world, protection by education against the vicious tendencies of a distracted age.

Fortunately the fires of patriotism burn with as pure a flame at Georgetown as they did in the days of the Revolution, and now as then, are guiding our Rector in his efforts to serve his country by meeting through sound education the dangers that threaten. Fostered by him and molded by his able assistant, the Rev. Edmund A. Walsh, a new school, a School of Foreign Service, has been organized. Of this school, its aims and objects, you have heard. I need only say that it has been ably and timely organized to meet the new order and conditions upon which our country is entering. It gives to Georgetown the ability and equipment for a larger and a better service. It gives to men

training for government service and for commercial requirements a useful knowledge of business methods, of law and international relations, and of moral obligations.

If I had been asked to name the great need of education to-day, I would answer, the more thorough instruction in ethics, not instruction in ethics of the theoretical kind, fashioned to soothe by fictions the consciences of men, but in the ethics that direct and measure the conduct of men rigidly by rules and canons of moral law; the ethics taught at Georgetown University. We of the School of Law who have watched the birth of this School of Foreign Service, have watched its able direction under Regent Walsh and its rapid progress and development, are glad to give willing assent to its acceptance as a department of Georgetown University, which now equipped with its six departments will go forward with a greater ability and a greater confidence in her effort to make true the dream of Carroll.

Reverend Rector, I am directed by the Faculty of the School of Law to convey to you and to Georgetown University its congratulations upon this happy occasion; to extend to the Department of Foreign Service an assurance of our cordial cooperation, and to welcome her as a sister department of Georgetown University; and, sir, if I could summon from the shadowy past the forms that have been, I know that our founder and the other great builders of Georgetown University would be here to honor this occasion and this event, and to rejoice with us that the destinies of Georgetown are in and under the able direction of President Creeden. (Applause.)

PRESIDENT CREEDEN. In the entire University there was no department which felt the evils of war as much as the Department of Dentistry, because soon after the outbreak of the war its Dean entered the service, and many of its professors followed him in his patriotic endeavors. In the approaching chaos in that school, consequent upon war troubles, I turned to a man who had given many years of efficient service to the institution, and it is due to his devotion and to the strength and surety of his guiding hand that the Department of Dentistry is to-day stronger and more prosperous than ever before in its history. It gives me great pleasure to present to you to-night the man who saved the situation, Dr. Taylor.

ADDRESS OF DR. BRUCE L. TAYLOR, D. D. S.

Dean, The School of Dentistry

REVEREND RECTOR, DISTINGUISHED GUESTS, GENTLEMEN OF THE SCHOOL OF FOREIGN SERVICE, LADIES AND GENTLEMEN: AS a representative of the Department of Dentistry it gives me very great pleasure to extend the hand of welcome to the new Department, the School of Foreign Service. We feel, as the other departments of the University feel, that this is a notable addition to the University of Georgetown, and I would say by far not the poorest of the additions. We feel that this school will do more good perhaps for the University than any of the other departments, for the reason that the men who represent it and go forth into the various nations of the earth will not only carry the spirit of America with them, but the spirit of Georgetown; and if I would say anything to you this evening, I would say this: gentlemen, remember the foundation of all is character. You men are to be judged by every nation. In every port you enter you will be judged by the people of that country, and I would say to you above all things lay aside your petty jealousies, lay aside your personalities; have a clean character and remember always that you represent first America, and second the grand old University of Georgetown. (Applause.)

President Creeden then read the following extract from the charter of the University:

“Concerning the college of Georgetown in the District of Columbia:

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall and may be lawful for such persons as now are or from time to time may be the president and directors of the College of Georgetown within the District of Columbia, to admit any of the students belonging to said college, or other persons meriting academic honors, to any degree in the faculties of arts, sciences and liberal professions to which persons are usually admitted in other colleges or universities of the United States, and to issue in an appropriate form the diplomas or certificates which may be requisite to testify to the admission of such degree.

“Approved March 1, 1815, by James Madison.”

In virtue therefore of this decree, and in accordance with the expressed wish of the Board of Regents, the directors and the

deans of the various departments, I hereby admit the School of Foreign Service as a regularly constituted department of the University, with power to present candidates for degrees and to seal its documents with the seal of the University, and in testimony thereof I present these letters patent, sealed with the seal of the University.

(President Creeden presented the letters patent to the Regent of the School of Foreign Service, Edmund A. Walsh.)

In conclusion I wish to express the hope that the members of the School of Foreign Service may each year go forth to foreign shores to enhance in those lands the glory of our country and the good name of Georgetown by exhibiting to other nations perfect types of American men, in whom are embodied the highest fruits of real culture, the highest type of real business integrity. (Applause.)

The Regent of the school, Edmund A. Walsh, S. J., then replied:

SIR: In the name of the Faculty of the School of Foreign Service and of the student body, I beg to tender cordial and heartfelt thanks for this gracious and formal admission into the body of the corporation, confident as I am that, strong in the spirit of thorough and sound service, the School of Foreign Service will prove to be not only an effective and substantial agent in furthering the ideals of these United States, but also a source of pride and satisfaction to Alma Mater through the integrity, ability and loyalty of these her newest sons. (Applause.)

Following the academic ceremony of admission, the members of the new Department arose and sang in unison the College song "Sons of Georgetown."

PART II

PRESIDENT CREEDEN: Ladies and gentlemen, some years ago the Senate and the House of Representatives organized what we all know as the Federal Reserve Bank of the United States. We can all recall with what genuine acclamation that organization was heralded; but it was only at the outbreak of the war, when its steadying influence saved the country, and perhaps the world, from financial chaos, that we recognized the almost divine Providence which guided our rulers in the establishment of this Board. It is quite clear how closely connected with foreign trade will be the activities of this Board, and it is, therefore, with great pleasure that I present to you as one of the speakers of the evening, the Honorable Adolph C. Miller, a member of the Federal Reserve Board.

ADDRESS OF HON. ADOLPH C. MILLER

Member of Federal Reserve Board

REVEREND RECTOR, MEMBERS OF THE FACULTIES OF THE GEORGETOWN UNIVERSITY, AND YOUNG MEN OF THE NEW SCHOOL OF FOREIGN SERVICE: I feel that anything I may attempt to say after the admirable addresses that have been made by the Rector of the University and the deans of the several colleges that have admitted your new school into their fellowship would be superfluous. So far as I am concerned, therefore, I am not going to make nor even attempt to make a formal address, but will content myself by saying a few words which, I hope, may help to emphasize the importance at this juncture in the history of the world of this new departure which Georgetown University is making.

I feel, and have felt as I sat here to-night and listened to the addresses of the different deans, as though I had been carried back to a pretty remote time in the history of our country. In the midst of this seat of learning—which is an ancient seat of learning for a country as young as ours—to have heard the story of its expansion as the nation has expanded has been thrilling. It shows how from the very beginning we thoroughly conceived

in this country of the function and the method of democracy as being that of preparing by education for whatever might be in store for the unfolding destiny of the nation. And so you have come by a very natural process of evolution to the establishment of your new School of Foreign Service, and here let me say, though I don't know whether I ought to congratulate the dean of the new school or not, or to whom it may be due, that I think the name that has been selected for this new faculty is most happy and most auspicious. Other universities have their Schools of Commerce and Business Administration, of Finance and Economy, but you have included in the name of your school that one word which I think, whether you have reference to politics or commerce, best typifies the spirit of democracy and the spirit of the New World for which blood has flowed in rivers during these past four and a half years. If your school achieves its purpose—as it will and must—it will certainly be a school of foreign *service*. The world abroad needs *service*. It is looking to us for *service*. It is service that we must render in every department of our national life, in every department of education, if we are to do the things that we set out to do two and a half years ago, if we are to redeem our pledge to ourselves, and our pledge to a suffering world.

Let me take just a moment or two to address particularly the young men in the front benches here, to tell them what I dare say they already know (but the lesson will bear repeating), how much we have been doing, how much we had already done before we came into the war as one of the great belligerent nations, to help on the cause in Europe which it needed no particularly prophetic insight to see, sooner or later by the very force of circumstances and destiny, must also be our cause.

I remember in the opening months of the war, just as the Federal Reserve Banks were being organized, that there was great apprehension among merchants and manufacturers and exporters in this country as to what was going to happen to our foreign trade; above all, how in the world we were ever going to meet our obligations to the European countries, notably England, which had been the source from which we had got much of our financial and banking support, and to which we were indebted in what then seemed to us colossal and stupendous sums. These sums amounted at the most to something like one hundred

million dollars for advances made in the spring and summer of 1914 against the exportations of food stuffs and cotton which we were to make in the autumn. I remember sitting in conferences of leading bankers of this country—called for the organization of what was then called the “One Hundred Million Dollar Gold Fund” then being raised for the purpose of supplying American debtors to Europe with foreign exchange. Few then realized to what extent we, who had been dependent upon Europe, upon the Old World, particularly in the matter of finance upon England for assistance, were to occupy in the not distant future the very reverse relation, but raised to a degree that no one at that time would have thought possible short of at least two or three generations.

From being a debtor country we have become a creditor country to the rest of the world. From being a country which has borrowed from the older nations of Europe for the purpose of developing our internal resources, for building our railways, for constructing factories, and which was debtor to the extent of almost half a billion dollars a year in the shape of interest upon the large investments of capital that the citizens of these different countries had made here, in the shape of freight charges for carrying service rendered by their merchant marines, in the shape of insurance premiums, in the shape of banking and financial commissions, we now are collecting from them, or soon will be, if they are in a position to begin the discharge of their obligations to us, a sum at least similar to that which they formerly collected from us. We have become a creditor country, even to the richest of the nations of the Old World. We are a creditor now to England, which has taken much in the way of goods and services, materials and ships and coal and cotton, for which we have been obliged to take paper in the form of an obligation on which we will collect some time in the future. In other words, we have sold vast quantities of goods to Europe on credit; we have bought vast quantities of American securities which were held in Europe; we have taken from Europe over a billion dollars of gold in payment for goods that were sent to her from our shores prior to our entering into the war.

While it is not possible to state these things with absolute accuracy, it is probably as near the truth as it is desirable to attempt to come, to say that before we entered the war in April,

1917, we had sent to Europe about \$5,000,000,000 worth of goods for which we took payment to the extent of \$1,000,000,000 in gold, to the extent of \$2,000,000,000 in returned American securities, and to the extent of approximately \$2,000,000,000 additional in the shape of new European obligations of which the most important were the celebrated Anglo-French bonds, floated in our market in 1915. It took almost three months to negotiate the \$500,000,000 Anglo-French loan in the autumn of 1915. Those of you who remember as long ago as that—and it seems, in the light of the history we have made since that time, to be very, very long ago—those of you who remember that, will remember what a struggle it was; how England and France found it necessary to send their most astute financiers, their wisest statesmen, their best negotiators; how the thing seemed beyond our capacity; and yet when it was done, how easy the achievement seemed! It was the first clear indication that the war brought with it of how strong we were financially and economically; how much stronger we were than we had ever, even in our most boastful moments, thought; and what that first negotiation showed, each succeeding step we have taken in putting the resources, the services of our country to use in Europe, either on the battlefields or in the starving households, or on the high seas, has further shown. We have always been equal to the task, and for the first time we have come to some conception of how almost illimitable is the industrial and financial capacity of the United States.

So we may properly, I think, on an occasion of this kind emphasize the element of service in the work and the function of such a school as is being inaugurated here to-night. "*Noblesse oblige*" is something that you might well take as your maxim. It is for the powerful and those who have in abundance, or who have the resources from which an abundance of wealth can be extracted, to put their power and their strength and their goods to the service of those who need help; a service, of course, that will not go unrequited, but a service, nevertheless, that the world needs.

Let me mention just one more fact by way of a footnote to this thought. The one lesson that I want to leave with you to-night is the sense of the new power, the new opportunities, and with them the new obligations of the United States to the world.

For an average of several years before the breaking out of the European war in 1914 we annually—because a debtor nation—exported to Europe about \$500,000,000 worth of goods beyond what we got from the rest of the world. That was in payment for debts contracted or for current services which we needed and could not provide for ourselves, such as shipping. In the single month of June of this current year we had a net excess of exports considerably greater—greater by at least one hundred million dollars—than our total annual average was before the war. The figures are stupendous. One wonders where the things come from; one wonders how it is possible for our country to spare for sale on credit these immense quantities of goods, and yet for the people here at home to be well fed, well clothed, happy, cheerful, and for the most part well housed, despite many complaints we hear to the contrary. We have been exporting during the last year and a half about \$4,000,000,000 worth of merchandise on credit—that is, merchandise for which we get no immediate payment in the shape of goods or services, but for which we get obligations, promises to pay, securities, bonds, whatever you choose to call them, upon which we shall realize some time in the future when the European debtor world has measurably recovered its productive power and is able to wring out of the tissue of its human lives and out of the substance of its soil a surplus with which to settle its obligations to us.

We hear a great deal at the moment of the state of the exchanges. I dare say you young men are reading the papers. You ought to be. Get in the habit of reading the financial and commercial weeklies. Let me commend very strongly to you some of the foreign weeklies. Learn to read the money article in the "*London Economist*." Don't feel that you have completed your work in the School of Foreign Service until you can read that article and understand it. Get so familiar with it that all of its cabalistic signs and symbols are to you like the letters of the alphabet. I assume that you are already doing that and that you are hearing much and reading much of the disturbed and deranged state of the foreign exchanges. Great conferences of bankers are held from time to time in New York, in Chicago, in Atlantic City and elsewhere, with foreign representatives in great numbers—perhaps there are one hundred of them in the country at the present time who were recently in conclave in an

international trade conference. They have all reached the conclusion that something must be done to restore or stabilize the exchanges.

You young men, some of you at any rate, will go into the field of banking. The field of international banking is just beginning to open up possibilities of a useful and remunerative career to young Americans. Your Rector has alluded to the Federal Reserve Act. That opened, that blazed the pathway for American bankers across the seas. Until then we were parochial in our banking methods, in the orbit of our banking interest; now the law, however, has made it possible for an American banker to establish foreign branches. Different States have given charters to banks that do not expect to do any banking business here at home at all, but purely in the foreign field. Congress is just upon the point of enacting a most important piece of legislation, the so-called Edge Bill, which is resting in conference at this moment and presumably will be passed quickly to enactment at the coming session of Congress, for the purpose of giving federal charters of incorporation to American companies that are organized for the purpose not only of foreign commercial banking but investing in foreign securities, in the stocks and bonds of French or Italian or English manufacturing corporations or mercantile establishments, particularly those that must get materials, machinery and other supplies from the United States on credit and that want to find through the medium of these new institutions a market for their obligations or securities among the investing public of the United States.

I dare say there are in this hall now young men who may leave the School of Foreign Service and actually go into foreign service who will find their places as employees, as clerks, ultimately as agents and managers of some of the undoubtedly many corporations, foreign banking and financial corporations, that will be organized under the Edge Law. Then you will have to make use of your knowledge, your theoretical knowledge of foreign exchange—and here let me say parenthetically that I want most strongly to endorse every word that Regent Walsh has said regarding the importance of theory. Don't let anybody deter you from trying to get a right theoretical understanding of things. I have sometimes thought, as I have seen things moving in Washington during the troublous times of the war, that one of the

things we were really shortest of among our energetic and able men of business was the capacity to think large on new and difficult questions; above all, the capacity to think in terms of production instead of in terms simply of price and profit; the ability to think nationally and internationally. It was amazing how few men there were who had anything that could be called international sense or perspective; it was amazing how comparatively few there were who had even an American perspective that reached from the Atlantic to the Pacific. It is amazing how easily and naturally in this country we slip into the habit of thinking that we have a right to speak nationally or to claim national validity for our thought when the circumference of our experience or consciousness does not extend beyond our city, our county or our State. I say this with a certain degree of emphasis, perhaps, because I hail from the very far west. I am a Californian and I suppose in the course of my life—which is still far from the last leg of the journey—I have crossed this continent of ours at least two hundred times—perhaps three hundred times. Each time I cross the continent, whether it is one, or two, or half a dozen trips a year, I feel that the last trip has been the most illuminating and instructive of all. I never go west to San Francisco from Washington that I do not feel that my mind is cleansed and my perspective clarified, that I see things in an American perspective as I can not after I have been at either end of the continent for very much more than five months. I never come from the Pacific Coast to the Atlantic Coast that I am not affected in exactly the same way. Just as it is important for us who are here at home to develop a keen and clear perspective with regard to American affairs, so it is going to be important for you men, who go into the foreign field, to develop an international sense, to be able to think from country to country, to be able to cut, in your mind at least, straight through national frontiers. For in commerce, in finance, in banking, as Adam Smith pointed out more than a century and a half ago, there are practically no frontiers. You will remember the passage of Adam Smith in which he says the capitalist is a denizen of the world; it is profit, it is opportunity, it is adventure that lures him and that determines whither he will go and how far he will go and what he will bring back.

But I am wandering from the matter of foreign exchange that

I had promised to say a word about. There is much complaint just now that the reason why trade does not proceed to develop along more normal lines between the United States and Europe is that the exchanges are deranged. Normally, five years ago, before the great war broke out, it cost about four dollars and eighty-five cents to four dollars and ninety cents to buy an English pound sterling. The American importer who had a debt to meet in London, in sterling, would have to pay about that, according to conditions at the moment, in order to buy in London a pound sterling. If he had a debt to meet in France, in francs, he would find that for his dollar he could get something more than five francs. At the present time you can buy a pound sterling—in other words, you can pay a debt of a pound sterling in England—with an expenditure on this side of the water in dollars and cents of about four dollars. The dollar has risen in value in its power to buy sterling, in its power to pay debts, English debts or other debts that are drawn payable in terms of sterling. If you have a debt to meet in France to-day you will find also that your dollar buys almost twice as many francs as it did five years ago. In other words, for the dollar you can get approximately nine francs.

If you go to Italy, where the old exchange was about the same as it was in France, you will find that your dollar buys at the present time about twelve lire.

From our side, therefore, the exchanges are highly favorable. In other words, the terms upon which you can convert your dollars into francs or pounds sterling, or lire, to say nothing of the German mark, or yet less of Austrian kronen, which has almost gone out of sight it is so low, are very much in our favor. The situation presents an unfavorable aspect, however, from the other side. The Englishman who has a dollar's obligation to meet in this country has now to buy his dollars at a higher rate than the old rate; the Frenchman who has an obligation to meet in this country in dollars finds it takes about ten francs to buy the dollar in this country that he could formerly get for five francs. The situation is still worse when we go to Italy or anywhere in Europe east of France.

What effect is this having upon our foreign trade? It is having the effect of discouraging buying in the American markets and encouraging the exportation of European goods to the Ameri-

can market. Unfortunately Europe is not in a position to produce much of a surplus for export, so that however much encouragement there is to export goods to this market, because of the state of exchanges, the goods nevertheless are not yet forthcoming. So that immediately the most serious aspect of it is the disability under which the European, who would buy in America, labors in making payment for his purchase, because of the high price he has to pay to get the dollars which he needs to settle his American obligations. Now why is there this great disparity in the exchanges? Why is the franc when it is converted into a dollar of only about half the value it was about five years ago? Primarily for two reasons: the inflated state of the currencies of all of these countries and their adverse trade balances. You young men are going to get your first experience of life and business in an era of inflation. Perhaps I am rather optimistic in saying your first, because it may well be that none of you, not even the youngest and hardest, will ever live long enough to see the end of the era of vast inflation that has been produced by the European war. But at any rate, whether you outlive it or not, you are going to live a large part of your life through the era of great inflation in Europe. Currency has been turned out there in such volume that the franc, of necessity, has depreciated in its purchasing power, the lire still more, the mark still more, and the ruble is practically worthless. The result naturally is that any American who is going to sell a dollar's worth of goods payable in francs or lire or marks wants more of them because they are worth less than they used to be—worth a good deal less when they are converted into our dollars. That is one reason, therefore. The important reason, however, and the one important for you to appreciate at this stage of your career, is that it is because of the low productive power of Europe that the exchanges are so unfavorable to her. Exchange after all is nothing but the rate at which a man in a country from which goods have been exported and sold to some other country can use the proceeds realized from the sale of those goods in the country to which they have gone, in paying for something that is bought in that other country and brought to the home country. Obviously, then, when a country is importing or trying to import—trying to buy—very much more than it is in a position to pay for by exports sent out, the exchanges must be against

her. There will be many people who want to buy foreign exchange to pay for imports, but there will be few who have any bills to sell. You will find that foreign exchange, like any other commodity, follows the law of supply and demand; that the rates are high when a thing is in demand and low when the supply is in excess of the demand.

This then leads me to a concluding observation. The trouble with the present state of our financial and trade relationship with Europe is not merely or primarily that the exchange is so "unfavorable" to Europe. The unfavorable exchange is after all merely a symptom. I hope that the men who come out of the School of Foreign Service of Georgetown University will learn to think instinctively in terms of the substance of things and not simply in terms of the monetary symbols or signs, and that when you hear the expression that trade is suffering in any country because of the unfavorable exchanges, it will immediately incite you to ascertain *why* the exchanges are unfavorable, and see in that which is the cause of the unfavorable exchange, the cause of the condition that is complained of and wrongly or only on superficial analysis attributed to the unfavorable exchange.

All of Europe, even the neutral part of Europe, is, in different degrees, in need of goods, machinery and materials. I saw a few days ago an estimate, rough and only approximate—as such estimates can be at best—which indicated that just at this present time in most of the important industries of the world the United States represents from one-third to one-half of the world's present and immediately available productive capacity. We have of course a very much smaller percentage of the world's industrial population than this, but just now we presumably, according to this estimate, are in a position to control from one-third to one-half of the output of six or seven of the world's most important industries—that is, those that are most important in supplying the materials and things that Europe needs for her rehabilitation.

Mr. Hoover in a memorandum that he prepared officially two or three months ago gave us a very vivid picture of Europe, from which I quote one item, namely, Europe has a population about one hundred million in excess of her own native productive capabilities. In other words, she has a population to the extent

of one hundred millions that has to live very largely upon what is obtained from overseas. The raw material so obtained passes through the European workshop or factory or foundry, is converted into something that is salable overseas and is used in payment for materials and food.

The reasons for Europe's condition are obvious: the terrible devastation wrought by the war upon her very substance, the soil, the mines, ships and other things, and the terrible wreckage that it wrought humanly speaking. So that, important as was the service we rendered to Europe during the war in becoming a helper and a creditor nation, equally important is the service that Europe must still look to from us in the process of her after-war reconstruction.

You young men who equip yourselves properly for your task, —and if out of this group that I see in front of me here there are only twenty men that become first-class men, men gifted with imagination, men gifted with a real sense of responsibility, men who have the instinct of mastery and leadership,—you will richly repay the establishment of this school; you will find great and glorious opportunities to render service profitable to yourselves and reflecting credit and glory upon your country and of infinite value to a suffering world.

Just now the most important problem of European origin that confronts us in the United States is how we are going to get ourselves together to assist in the necessary work of reconstruction in order that the democracy that we went to Europe to save from destruction under the heel of the Prussian monster shall not itself be wrecked and ruined under the heel of the demoralized communist. You have a right to feel, therefore, if you accomplish something that fits you for the careers you are choosing, that you are doing something not simply in commerce but you are going to do something that will enable the world to recover its equilibrium, its sanity, its perspective.

Service, as I have read the history of American foreign policy, has always been, with few exceptions, our pole star. It was made so primarily by Thomas Jefferson, who, extreme individualist and doctrinaire democrat as he was thought to be by his contemporaries, nevertheless was instinct with the American spirit and conception of service. And so for the most part it can be claimed for our country in a degree that is true of no other,

that when we go over seas it is primarily not for what we can get but for the good that we can do, even though it is not consciously in our minds. I have no particular sympathy with the idea that frequently finds expression, that the United States must go out "to capture" the markets of the world. We do not need them for ourselves. We do not need to think of our enterprise as a game of capturing. You do not capture, you do not talk of capturing a weak and dependent person, one who needs you far more than you need him. We will have all the opportunity we want to display our talents, our wits, our acumen, our commercial sagacity, in doing what the world wants us to do. The world needs us infinitely more than we need it at this moment, speaking purely in materialistic terms. So I repeat, then, that I think it is a happy choice, in choosing a name for this school, to have called it a School of Foreign Service, and I would urge you, Mr. Regent, to keep constantly before these young men the conception that they are to go forth into the world not simply as merchants in a conventional sense, or as bankers, but as men who are going forth to serve the world. (Applause.)

PRESIDENT CREEDEN: During the progress of the organization of this school we were called upon from time to time to ask for advice and assistance from the various departments of the Government, and I wish here to bear testimony to the very generous sympathy and the hearty cooperation shown by all those officials with whom we came in contact. One of the first letters of encouragement which we received, and which is printed in our earliest prospectus, came from the Assistant Secretary of Commerce, and in presenting him to you to-night as the acting Secretary of Commerce I wish to express my thanks for his words of encouragement in days when such words were needed.

ADDRESS OF HON. EDWIN F. SWEET

Acting Secretary of Commerce

REVEREND RECTOR, GENTLEMEN OF THE FACULTY, MEMBERS OF THE COLLEGE OF FOREIGN SERVICE, LADIES AND GENTLEMEN: I don't know how it is with you, but when I hear a speaker commence his speech by telling how short it is going to be, I am al-

ways suspicious. (Laughter and applause.) But if Mr. Miller thinks I am making any personal allusion to him I want to put a little salve over the wound by saying that his talk was so full of meat, so full of good judgment, good business and good morals, that I think we have all spent the time very well indeed. (Applause.)

Two weeks ago to-day—just two weeks ago to-day—four heroes of the great European war were shot down in a western city by anarchists. They had done nothing to merit death. The only reason why they were shot down in cold blood was because they had on the uniform of our own soldiers and that uniform was distasteful to anarchists, as it represented government under the principles of law and order.

Last evening I read in a newspaper from my home city in the middle west, a city of about 150,000, that the municipal government had made an appeal for volunteers, men of tried loyalty and iron nerves, who would be willing to serve night or day in protecting the city from assaults of anarchists and assassins. This is a strange situation in our usually law-abiding, self-governing country, and it is one which deserves our very serious consideration. I am not a pessimist; I have no doubt,—and you have no doubt,—of the loyalty, the stamina, the character of the American people. The fact is, I think it is a pretty good plan to look at all these questions somewhat from the side of the optimist. You may recall that fine old gentleman who always, no matter what happened, said, "It might have been worse." One time some fellows put up a job on him. They went to him and one of them said, "I had a dream last night; I dreamed that I died." The old man said in his usual cheerful tone, "It might have been worse." "But," said the young fellow, "hold on; you haven't heard the whole of it. I dreamed that I died and went to hell." "It might have been worse," said the old man. "Well," said the young fellow, "what could be worse than that?" "Oh," said the old gentleman, "it might have been true." (Laughter and applause.)

It is for us as good citizens to find the cause, if we can, of these troubles, and a remedy for them. The leaders and plotters in these schemes are probably men of more or less education who are serving, or think they are serving, some interest of their own, but they have two allies of very great importance in their scheme

of procedure, and the names of those allies are ignorance and idleness. Now this splendid University with its one hundred and thirty years of useful service, and the other universities and colleges, and schools throughout our country, are doing a magnificent work in overcoming ignorance. But idleness—that is something to be fought. As things are to-day there is no enforced idleness. If a man is idle to-day it is not because he can not get good wages; it is not because he can not find work, but there have been times, and there will be again, when there is enforced idleness in our country. I know of no one thing that has a stronger tendency to prevent idleness than foreign trade. Did it ever occur to you what a tremendous influence what we call “foreign trade” has upon our home industries?

Suppose for a moment that our foreign trade was cut off, what would become of the products of the farm and the plantation, the wheat and the cotton? We raise a great deal more in this country than our own people can consume, and we sell our surplus abroad. If it were not so, that surplus would remain here to glut our markets; prices would drop and production would be reduced, and employment would be hard to get, and then there would be enforced idleness.

The same is true of our factories, perhaps even more true of the factories than of the farms. We are producing in this country to-day a great deal more in certain lines than our own people need or can profitably use, and if our surplus could not be sold abroad, if we could not through instrumentalities like that which you are to look after, find an outlet in other countries for this surplus, it would remain at home and the wheels would have to stop turning, and men would be walking our streets looking for a job.

So against one of these great allies of anarchy, the army in which you are enlisted now, the foreign trade army of the United States, is fighting and fighting hard.

We often speak of our exports. Mr. Miller has referred to them to-night, and to the difference in exchange, and so forth, but we often think of our exports, the sales that we are making in foreign countries, as on the profit side of the account, and the purchases that we make from them as on the debit side of the account. I think that is a mistake. The ideal condition in respect to foreign trade would be to have no difference of ex-

change. If exchange is in our favor, as it is at the present time in respect to the countries mentioned by Mr. Miller, then it becomes a bar to their buying from us, and if it were the other way it would be a bar against our buying from them. The people we sell to are sometimes making more money off their purchases than we make from our sales. When you make a purchase of some article that you need, if you get it at a reasonable price, which you can not do nowadays, but if you get it at what it is fairly worth in the market, you are frequently making more profit than the man who sells it to you. We, for instance, buy a great deal of rubber from Brazil and other countries. Suppose the supply of rubber were immediately cut off, what would become of our automobile factories and a great many other factories that depend upon rubber as a raw material in their production? It has been estimated that the immediate cutting off of the supply of rubber from the United States would throw more than a million men out of employment at once.

Take the matter of hides, which we import largely from foreign countries. If the supply were immediately cut off, our great shoe industry would collapse, and thousands and thousands of people would be turned out of employment.

So it is in connection with imports as well as exports,—and trade means an exchange of commodities; it means buying as well as selling,—it is for foreign trade promotion that your school is organized and becomes to-night the youngest child of this splendid old University.

Now I am not going to extend my remarks further than simply to say this: I think you are entering upon a splendid career, one that has in it advantages not only to yourselves but to your country and to the world. We hear the expression, "The war after the war," as if trade necessarily meant war. It does not, any more as applied to nations than as applied to individuals. There was a time when those engaged in the same occupation felt a sort of jealousy and hatred of one another, but that time is past. Trade can be conducted honorably and honestly, and to be successful it must be honest.

One final word. As the Acting Secretary of that department of the Government which is especially devoted to the subject of commerce, both foreign and domestic, I extend to you the right hand of fellowship. I congratulate you upon your connection

with this University and the prospects that are before you, and I assure your Faculty here, and yourselves, that the Department of Commerce will continue to cooperate with this University as it has cooperated in the past, and I wish you God-speed in your work. (Applause.)

PRESIDENT CREEDEN: In the presence here to-night of a high official of the State Department we have a concrete exemplification of the kindness and courtesy with which we have been greeted in our applications to that important department of the Government, and therefore I wish to express the appreciation of the University to the entire State Department and in particular to the present Assistant Secretary for past favors, especially for his presence here to-night.

ADDRESS OF HON. WILLIAM PHILLIPS

The Assistant Secretary of State

VERY REVEREND REGENT, DEANS OF THE UNIVERSITY, GENTLEMEN: After so much eloquence and at so late an hour it seems a great hardship to ask you to listen to me, but I wish you could realize how fine an inspiration this evening has been to me. I know by the faces around me that your school of Foreign Service, which we are dedicating to-day, stands for something serious, something constructive, something distinctly American. You men who have enlisted in it have come to a realization of your responsibilities,—responsibilities which you have inherited from those splendid men who died for us on the fields of France. They saw foreign service; they glorified foreign service, and now you are preparing to dedicate your lives to foreign service in the new world which has arisen from the horrors of war.

I congratulate you on your choice. I wish you every success. I am grateful to those men of vision who have made this training possible for you, and who are revealing to you the wonderful opportunities that lie before you in the far corners of the earth.

This school, because it is among the first to adopt so comprehensive a curriculum for service abroad, will be watched and criticized by educational institutions throughout the United States. That is healthy and as it should be, and will put Faculty

and students on their mettle to make good and to demonstrate that the Georgetown School of Foreign Service is a permanent institution, and the parent of countless similar schools in all parts of the country.

You have unusual advantages. You have a distinguished faculty and a long waiting list. Everything points to success. But remember one thing: remember that a man may graduate at the top of his class, may acquire a knowledge in several languages, of international law and of commercial problems, yet he can not hope for success in his life abroad, either in the diplomatic or the consular service or as the representative of a commercial concern, without character, without a stern determination to stand true to everything that is best in America. In that way and in that way only can he hope for success in foreign service.

Every graduate of this school who goes out into foreign countries goes as the representative of all of us at home. His is no easy task, but if he succeeds we are all his debtors. In distant countries where Americans are little known, it is a fact that America is judged for good or evil according to the standards of right and wrong of our official and commercial representatives resident in those countries. The high mission of this school, therefore, is to make men realize the responsibilities which they assume in a life of foreign service, and to help them prepare to meet those responsibilities effectively and wisely.

I am with you to-night not merely because it is a pleasure to me to meet the officers and students of Georgetown University, but because I want to impress upon you, with all earnestness, that the Department of State is vitally interested in the success of your undertaking. The Department wants to cooperate with you, to help you, and to prove to you that it needs in the diplomatic and consular service men who are qualified and trained, as graduates of this school ought to be, for work abroad.

Do you realize that recently there were thirty vacancies in the corps of secretaries of embassies and legations, and to fill these vacancies we announced an examination as required by law. In spite of all our efforts to excite interest in the forthcoming examinations, only thirteen candidates presented themselves on the appointed day. That means two things: First, the Government service is not as attractive as it should be; and

second, that the young men of America are not as interested as they should be in service to the Government. Let us hope that through the influence of Georgetown all this will be changed; that this school will stand closely behind the Department in its efforts to secure from Congress the needed reforms, and that the students and graduates of this school will go out into the country and will arouse the young men of America to the opportunities that are open to them in foreign service.

The Secretary of State regrets exceedingly that he could not be with you to-night, but on his behalf and on behalf of the officers of the Department I wish to extend our congratulations and our most heartfelt good wishes. We in the Department are counting upon your help and encouragement in our work, and we expect that you will look to us whenever you need our help and encouragement. Let us be friends and work together for one high purpose: that of the welfare and glory of our great country, and for the good of the world as a whole. (Applause.)

(Whereupon, at 11 o'clock P. M., the exercises were concluded.)



MR. JAMES A. FARRELL
Chairman, National Foreign Trade Council

LETTER OF MR. JAMES A. FARRELL, CHAIRMAN OF
THE NATIONAL FOREIGN TRADE COUNCIL

THE NATIONAL FOREIGN TRADE COUNCIL
INDIA HOUSE
NO. 1 HANOVER SQUARE
NEW YORK, N. Y.

GREATER PROSPERITY THROUGH GREATER FOREIGN TRADE

To Members of the National Foreign Trade Council;—Members of Associated Organizations; and all individuals interested in the development of the overseas commerce of the United States.

Dear Sir: It is with intense satisfaction that the National Foreign Trade Council notes the growing public interest at present being manifested in foreign trade as a means of achieving greater national prosperity. The very serious attention now being paid to our overseas commerce in its relation to the expansion of our commercial and industrial life is in itself a gratifying recognition of the policies adopted and consistently advocated by this body since its foundation in 1914.

From its beginning, the Council has not failed to emphasize the need of adequate educational preparation for men going into foreign countries as commercial representatives of American industries or as consular and diplomatic agents of the United States. The essential relation of diplomacy to the economic and commercial interests of our country has come to be clearly recognized in governmental circles, as, for example, in the recent establishment by the State Department of the Economic Intelligence Section under a Foreign Trade Advisor. The emphasis which this Council has placed on proper education for foreign trade has constantly been endorsed by the National Foreign Trade Conventions, notably at the last gathering in Chicago. Other bodies also, national and international, official and unofficial, have been considering this important subject; at this very moment not a few leading corporations and financial institutions are, in their respective spheres, taking steps to provide

adequate technical preparation for those in their employ aspiring to foreign service. With all these movements, the Federal Government is heartily cooperating.

Continued discussion for ten years, more and more intensive during the last four years, has matured public opinion and clarified our ideas. I firmly believe that we have reached the moment for definite action. This action can be initiated by no body more appropriately than by the National Foreign Trade Council. Hence after mature deliberation and examination of the elements involved I have decided to submit the following plan to your serious consideration.

As the first essay towards filling the long-felt want of a specialized form of commercial education, a scientific programme for systematic and sustained training for foreign service has been formulated and, in fact, applied by Georgetown University, Washington, D. C., working in close cooperation with governmental bureaus and practical business men. Further and more precise details are available in Bulletin 6, of which I am enclosing a copy.

The constitution of the new "*School of Foreign Service*" is modelled upon that of the famous "*Ecole Libre des Sciences Politiques*" at Paris, an institution that grew out of the Franco-Prussian War, when France found herself face to face with grave economic, social and political problems not unlike those confronting our own country at the present time. Cordial relations between the two schools have already been established through the courtesy of the French Embassy in Washington and the Minister of Foreign Affairs in Paris. The French Government also assigned a French officer, a graduate of the University of France and a Chevalier of the Legion of Honor, to act as the first Professor of Diplomatic and Commercial French in the Washington School. A provisional half year was begun on February 17, 1919, and closed on June 23, 1919. Specimens of the work done are enclosed. Twelve members of the first class have already been placed in the foreign service of the government and with private corporations engaged in export trade. For the next session, which begins October 2, 1919, so many applicants are already in sight that the chief difficulty will be that of finding adequate space.

The overhead expenses of the school might readily be met

without a wide appeal; but the ultimate purpose for which it has been established can not be fulfilled on the broad, nationwide basis desirable unless a large endowment is provided. Thus, in addition to the purposes outlined on page 6 of Bulletin 6, definite provision must be made for the expansion of the programme to emphasize to the utmost sound, liberal economic principles and American ideals.

Many as are the advantages of locating such a clearing-house of higher vocational education in Washington, the seat of the National Government, where a wealth of valuable trade information has been gathered during the past five years, the proper activities of the School, requiring as it does a separate faculty and specific equipment, would be lamentably handicapped without the financial support which the organizers confidently expect from forward-looking leaders of public thought and commerce.

Not less than \$500,000 will be required at the outset as the endowment necessary for the proper conduct of a school conceived on such broad lines. Already twenty expert instructors, each a specialist in some phase of government, commerce or finance, have been added to the faculty. For the present, temporary quarters have been secured in the Georgetown University Law School, where the student of foreign trade or public service, in addition to his technical training, will have exceptional facilities to obtain instruction in such legal branches as may be deemed necessary for a well-rounded commercial representative or government agent. For the purpose of securing and administering the funds required as well as for the drawing up of a suitable curriculum, there has been associated with the Regents of the University an Advisory Committee of whose solid and responsible character I am personally satisfied.

I feel myself that the National Foreign Trade Council can not fail to support this school, established as a direct outcome of the campaign for educational preparedness which, if we did not initiate, we at least have made one of our primary objects.

I, therefore, earnestly recommend this institution to the generous support of all the members of the Council and to all organizations and individuals interested in the expansion of our foreign trade.

As an indication of my own appreciation of the soundness and

opportuneness of the policy outlined I hereby make an initial contribution of \$20,000 to the endowment fund.

I shall appreciate an early and frank expression of your views, and trust you will join me in supporting this movement so directly leading to greater national prosperity through greater foreign trade.

The Secretary of the National Foreign Trade Council, Mr. O. K. Davis, will receive and deposit all funds donated for the purpose of furthering the endowment of the *School of Foreign Service*. Checks should be made payable to THE GEORGETOWN SCHOOL OF FOREIGN SERVICE and forwarded to Mr. Davis, at India House, 1 Hanover Square, New York City. These funds will be invested and administered in accordance with the advice and direction of the Board of Regents of the University and the Advisory Committee of the *School of Foreign Service*.

It is further provided that all funds now collected as well as all other moneys that may at any time be donated to the *School of Foreign Service* shall be devoted wholly and exclusively to said *School*. The treasurer of the University shall render to the Board of Regents at the Annual June Meeting, and before July first of each year, to the permanent Advisory Committee, a detailed financial statement.

Sincerely yours,

[Signed]

J. A. FARRELL,

Chairman, National Foreign Trade Council.

THE FUNCTION OF THE DIPLOMAT IN TRADE
PROMOTION

BY U. GRANT SMITH

*Commissioner of the United States to Hungary, Late Chargé
d'Affaires at Copenhagen, Counselor of Embassy at Vienna, etc.*

As a result of the Great War the several nations of Europe, our chief competitors in the markets of the world, are burdened with what a few years ago would have been considered financial loads well-nigh unbearable. However that may be considered to-day, it is certain that the enormous debts which they have contracted will compel each of our former associates and opponents to put forth every possible effort to gain a maximum through their commerce with other countries—both import and export—and consequently, we shall be called upon to face a keenness of competition that has heretofore been unequalled, and which will be made all the more difficult by that most serious question of adverse exchange. It behooves us, therefore, to bring our own organizations into as efficient a condition as may be humanly possible, to neglect no legitimate means of guarding and furthering our own interests abroad; not only in order to preserve what is ours by right, to keep the door open, but to push it open still wider to aid in increasing our foreign commerce so that we may be enabled more easily to meet those huge obligations which we have incurred since the spring of 1917. It is hardly necessary for me to remind you of the dignified proportions of those debts or of the enormous taxes which have been their necessary consequence. We took them on bravely and charged them to insurance. The question which now confronts us is—How shall we manage to hasten their liquidation?

If the war has accomplished nothing else it has brought a large number of our citizens to a realization of the fact that the Government of the United States is in reality a great central holding corporation with more than one hundred million stockholders and that, consequently, as one of that number, each citizen is vitally concerned in its organization and activities.

It would evidently be impossible for us to discontinue our foreign trade—both import and export—and through purely domestic commerce to earn enough to meet our obligations. It is, therefore, equally evident that every citizen of the United States has an interest, whether he be aware of it or not, in encouraging the export commerce of our country. The larger it is the sooner we shall be able to bring about a reduction of our taxes and consequently of the cost of living.

“But where does the Government foreign service come into the scheme?” some may ask. “We never have recourse to any of our consuls or diplomats. We neither need nor want any governmental interference,” say others. May I ask you to reflect for one moment? Are not the contracts into which you enter with your foreign customers based on the contracts which have been made between the Government of the United States and the Governments of the countries with whose citizens you deal? Without those basic agreements foreign trade would be a most hazardous undertaking. In everyday life do we find that both parties to a contract can always be counted on to execute it faithfully or, even when the best intentions exist, to give like interpretation to its provisions? Recourse is often had to the courts to establish the meaning of private agreements and occasionally a question of principle is carried up to the Supreme Court of the United States for final decision.

But what of the international contracts on which all foreign trade is founded? Differences of opinion not infrequently arise as to the rights and privileges thereunder of citizens of one or the other of the high contracting parties. The sole means for the settlement of such questions is through diplomatic channels. Just as in disputes between citizens of this country with regard to private contracts—qualified attorneys must be employed to argue questions before courts, so only specially authorized officials may argue questions which involve the interpretation of contracts between governments. Let us follow the analogy a bit further. No matter how talented a member of a local bar may be, he can not plead before the Supreme Court at Washington until he has been regularly admitted to appear before that tribunal. Similarly, questions which involve rights under treaty and which are consequently matters of principle, can be dealt with only by certain specified governmental agents.

Neither corporation representatives nor even consular officers are qualified to argue questions of rights under treaty with the central authorities of one or other of the contracting governments, and the moment they became so authorized they would *ipso facto* become diplomats and would be so designated.

The opinion is occasionally expressed that in view of the modern facilities for rapid communication by post and telegraph that diplomatic agents should be entirely dispensed with. My reply to those critics would be that when they set the example as applied to their personal affairs the government might be induced to follow suit.

You might just as well attempt to abolish the title and functions of Generals in the Army, or the Bar of the Supreme Court, as to try to get along without the much maligned diplomat. Your interest in him lies chiefly in the quality of his performance and if that has not in the past squared with your ideas of efficiency the logical course to pursue would seem to be for you to search out the fault and apply the remedy with the same persistence and clear vision as to cause and effect that you exhibit in dealing with your purely private affairs. The business man, the consul, and the diplomat are all interdependent and indispensable to one another.

We are well aware that many decisions handed down by the Supreme Court are of far-reaching and lasting importance; affecting not only the immediate parties to the dispute but, being questions of principle, exercise a profound influence on many fields of endeavor. This is equally true of the results of negotiations carried on by your diplomatic agents stationed at foreign capitals. Upon their watchfulness and success largely depends the outcome, not only of your immediate ventures but likewise of those in the distant future. On the other hand it is evident that should a few points be lost each year in the various countries the aggregate would, in a few years' time, subject our foreign business ventures to a tremendous handicap *vis-a-vis* our competitors in the world's markets. The same basic common-sense principles are applicable alike to business and to diplomacy and failure to apply them, both as to organization and to operation, is just as fatal to the success of the one as of the other.

The Governments of practically all foreign countries, both large and small, from the early days of the war, have been busily

engaged in reorganizing their foreign services to meet the new conditions which they realized would later prevail, however the contest might terminate. They foresaw that once the guns had ceased to thunder and the great armed forces had been dispersed, the greatest commercial contest of all history would be ushered in which would continue for years to come in ever-increasing force and volume. They soon came to understand that antiquated systems must be discarded; that, more than ever, foreign politics and commerce were inextricably interwoven; that their diplomatic and consular establishments must be expanded and reorganized on simple business lines. For many months past they have been mobilizing their intellectual forces to that end. Those of us who have been at the political front since the beginning of the great contest have had ample opportunity to follow that development both in belligerent and in neutral countries and it has caused us no little concern. For your diplomatic and consular agents are advocates who have but one client and, like attorneys in similar case, have their whole hearts centered on the protection of that client's interests, both present and future. It caused us uneasiness because we felt we might not be organized, at the outset at least, to meet on equal terms the onslaughts of our forehanded competitors, nor did there appear to be any prospect of our becoming soon prepared. What has become of the talented members of that nonpartisan body—the War Trade Board—who saw the possibilities of making our foreign outposts vibrate with a new life to the lasting benefit of our land? What has become of those other civilian volunteers who rendered such sterling services during the time of our travail? Returned, all of them, to their private vocations. And many of our experienced service men are seeking other fields of endeavor. We are demobilizing our forces on the very eve of the great contest.

As the war dragged on it became the conviction of the guiding spirits in Germany that if a truce could only be called the armies of the Entente would rapidly disintegrate while they, “playing ’possum” but holding their forces well in hand, would at the right moment spring again to arms and dictate terms to the erstwhile victors. But, thank God, a deaf ear was turned to all such proposals and when the need came the armistice terms made any such manoeuvre impossible. No wonder they wept over its in-

considerate terms which deprived them of their last remaining hope of victory on the field of battle and of that exquisite pleasure which they would have experienced in putting into execution those well matured plans for world domination with whose application the intended victims had had the temerity to interfere.

And now that the military truce has come and the armed hosts are melting away, what of conditions on the *new* front, where the armies must not be "dug in" but where it is a war of movement and every corner of the globe will form part of the field of manoeuvre? The same principles apply, but apparently the only one of the contestants to react is the United States, and we have all the rest of the world as our opponents.

I think all will agree with me, then, that the time has come when the people of this country must, for their own protection, take a greater interest in our foreign service and that every thing possible should be done to bring about the closest cooperation between the public and the diplomatic and consular services.

OUR DIPLOMATIC AND CONSULAR SERVICES

OUTLINE OF ORGANIZATION AND DUTIES

BY U. GRANT-SMITH

Commissioner of the United States to Hungary, Late Chargé d'Affaires at Copenhagen, Counselor of Embassy at Vienna, etc.

 FOREIGN SERVICE
 DEPARTMENT OF STATE

1.—DIPLOMATIC SERVICE

PERSONNEL

AMBASSADORS AND MINISTERS (*Accredited to Chiefs of Foreign States*).CHARGÉS D'AFFAIRES (*Accredited to Ministers for Foreign Affairs*).

Status—Fixed by International Law and Reciprocal Custom.

Stationed at Capitals only.

Deal with Central Authorities of Foreign Governments.

STAFF—Counselor; *Commercial Advisor; First Secretary; Military Attaché; Naval Attaché; Commercial Attaché; Second Secretary; Third Secretary; Clerks.

DUTIES OF AMBASSADORS, MINISTERS AND CHARGÉS D'AFFAIRES

(1) TREATIES

Defense— of treaty rights, both political and commercial—for example, unjust discrimination against American products, agricultural and commercial, imported into a foreign country or regulations designed to cripple activities of American citizens or companies doing business abroad.

Negotiation—of trade and other agreements, treaties, etc.

(2) INFORMATION

- Political*
- (a) —Reports on conditions in foreign countries—for example, impending changes of government, strikes or revolutions, which would affect credit, shipping, etc.
 - (b) —Reports on treaties and laws—their negotiation or enactment and their bearing on American political interests.
 - (c) —Reports on policies of foreign governments towards the United States and with relation to one another.

*A Consul General—supervises Consular activities and insures cooperation between the two services.

- Commercial* (a) —Reports on treaties, laws or regulations which may directly or indirectly affect American commercial interests.
- (b)—Reports on activities of other foreign governments in the country of residence which may directly or indirectly affect American commercial interests.
- (c) —Comments, from a politico-economic point of view, on reports prepared by the Commercial Advisor; crop reports, etc.
- (d)—Reports on national finance.
- (e) —Furtherance of American business ventures which necessitate direct negotiations with the central authorities of foreign governments.
- (f) —Encouragement of American business ventures through contact with our agents.
- (g) —Introduction of representatives of governmental departments, chambers of commerce and other bodies to the corresponding departments and bodies in foreign countries.
- (3) **GOOD RELATIONS**—Interpretation to foreigners of American conditions, correcting misapprehensions. The accentuation of American interests, both political and economic, which run parallel with those of foreign countries both to further them and to facilitate the adjustment of conflicting interests.
- (4) **PASSPORTS**—Issuance of; questions re citizenship.
- (5) **MISCELLANEOUS**—Reports and correspondence.
- (6) **SOCIAL INTERCOURSE**—With officials, politicians, foreign men of affairs and foreign diplomatic colleagues with a view to facilitating the discharge of duties. Proficiency in at least one foreign language is indispensable.
- (7) **CO-ORDINATION OF WORK** of entire staff. Daily interviews and weekly "Board" meetings.

2.—CONSULAR SERVICE

PERSONNEL

CONSULS GENERAL.

CONSULS AND VICE-CONSULS

Status—Fixed by Specific Treaties and Usage.

Stationed at Various Cities.

Deal with Local Authorities.

STAFF—Consuls (subordinate); Vice-Consuls (subordinate); Clerks.

DUTIES OF CONSULAR OFFICERS

Reports to State Department on trade openings, trade conditions, local finance, current prices and general commercial activities in their respective districts.

Copies forwarded to Embassy or Legation at capital of country of residence.

Reports to Embassy or Legation on all happenings of a political nature within their respective districts.

Certification of export invoices.

Shipping matters, including disputes between masters and crews.

Notarial acts.

Judicial and other functions in extra-territorial countries.

Introduction of American business men to local merchants and otherwise assisting them.

Arbitration of trade disputes between American and foreign merchants.

Viséing of passports.

Miscellaneous reports and correspondence.

Reference to Embassy or Legation of questions which can not be settled direct with local officials and which must be taken up with the central authorities of foreign governments.

Social Duties—Cultivation through social intercourse of close relations with merchants and financiers in the same ways and for the same reasons that necessitate similar activities and expenditures in ordinary business.

GEORGE WASHINGTON

DAVID W. BSI^{1,3}

THE IDEALS OF THE SCHOOL OF FOREIGN SERVICE

THE CONSULAR SERVICE AS A PROFESSION

(Excerpts from Introductory Lecture in Course on Modern Consular Practice, by U. S. Consul WESLEY FROST, Georgetown School of Foreign Service, October 7, 1919; with added paragraphs by HON. WILLIAM J. CARR, Director of the Consular Service.)

Fortunately the American public now regards our Consular Service not as a picturesque career but as a useful profession. Its so-called glamor and romance, which formerly covered a multitude of less pleasant phases, have been rightly replaced in the popular mind by practical value and quiet dignity. Even so, few persons have stopped to analyze the attractions of this virtually new vocation.

The country is, and has a right to be, proud of its reconstructed Consular Service. The foremost nations of Europe are openly using it as a pattern. An eminent American, himself connected not with the Consular but with the Diplomatic Service, said recently, "It is now hard to find in any service a more worthy body of men." It is a provable fact that most consular officers have had offers to leave the Service at substantial increases in salary.

What are the compensations which have caught and kept and welded into a loyal entity the members of this *corps d'élite*?

I do not believe that the opportunities for residence abroad, while they are notable and valuable, weigh very heavily with the average present-day American Consul. Nor is it my observation that the social and personal distinctions necessarily accruing to agents of the American Government are very potent in holding our officers at their labors. To attract a man of the dilettante type foreign travel and social rank might suffice; but to attract and retain the men of force and capacity who now fill our Consular Service there is only one sufficiently powerful incitement,—the challenge of important and difficult work to be done.

Only in solid work can solid abilities find satisfaction; and the scope for the exercise of such abilities in the consular profession,—the work which the profession offers,—is almost unequalled.

Unquestionably the most important modern consular function is the promotion of commerce. And commerce, in its larger connotations, is one of the most important matters in the modern world. In strengthening and directing the commercial relationships of America our Consuls find a task to evoke their highest energies. It is through our merchants that foreign peoples receive their most concrete and substantial impressions of our own people. It is by the nature of our trade products, and by the intelligence and human qualities which our traders display in vending them, that Europeans, Orientals, and Latin-Americans appraise us.

Accordingly the Consul who shows our exporters a new opening for trade, or suggests an improvement in their export practice, or manages in any way to enhance the commercial reputation of the United States, can justly feel that he is playing no mean part in the development of our country. The actual export sales resulting from trade opportunities reported by the Consular Service aggregates annually millions of dollars, even by the most critical estimates. But it is probable that the informational, not to say educative, trade work of the Service, while somewhat less tangible, is even more valuable. It is of general knowledge that American methods of packing, of preparing catalogues in foreign languages, of modifying merchandise to suit diverse foreign markets, and of granting credit to reputable foreign buyers, have improved vastly during the past two decades. And any business man who stops to think will acknowledge promptly and cordially that in each of these betterments our Consular trade reports have given the lead and borne a large share of the publicity work.

And Consular trade work is interesting not only from its importance but from its difficulties. An official whose office-sign is the American flag, and whose duty is to subordinate all other considerations to the honor of the nation he serves, must know how to refrain as well as how to press forward. Crude aggressiveness in trade promotion is a danger which only experienced officers of our foreign service can avoid. In the language of Lord Cave's Committee on British trade promotion, "To divorce commercial from political work would be disastrous." A Consul's best wisdom, tact and moral sincerity may be summoned into vital play even in answering an ordinary letter of inquiry from

a would-be American exporter,—and parenthetically, although we are dealing with value rather than volume of work, it may be mentioned that our Consular Service is responding to upward of 60,000 such letters each year.

But the officers of the Service are not only "*Consules mercatorum*," to borrow from the old legal writers, but also "*Consules artis maris*," supervisors of shipping and seamen. In every foreign port they are the advisers and arbiters for American sea-captains, seamen, and supercargoes. It is the Consuls who enforce abroad the LaFollette Seamen's Act and the Navigation Laws in general, adjudicating disputes, giving relief to destitute mariners, interpreting local regulations, and facilitating relations with proper officials and shipping agents. The American merchant marine has been the care of our Consuls year in and year out in its prosperity and in its adversity; and much of our national legislation and policy with regard to it has been the result of Consular experience.

Now that our flag has returned to the seas, flown principally by Shipping Board vessels, it is the Consuls who make all disbursements and audit all accounts of such vessels; and who advise the supercargoes, and the Shipping Board itself, regarding what freight can be secured and what ports profitably visited.

According to its derivation, from French and Italian Mediterranean cities in the Middle Ages, the term "Consul" imports magisterial or quasi-judicial functions; and the modern Consular profession includes several duties of this type. Every American Consul is an American Notary, and his seal is given cognizance in any court of justice in the United States. He not only authenticates innumerable affidavits, stock transfers, etc., but also acts as a commissioner to take testimony for American courts. He often settles estates of American citizens dying abroad, witnesses American marriages, and reports American deaths and births. In China, Siam, Turkey and northern Africa he has extraterritorial judicial powers to try and settle legal suits involving American citizens.

Perhaps no consular duties involve a higher feeling of responsibility than those of determining the citizenship of Americans abroad and affording protection to persons whose citizenship has been established. The taking of applications for passports

or registration certificates gives to Consuls almost deciding power as to the nationality of applicants, although the decisions are actually registered by the Department of State. In many ports Consuls can issue emergency passports. Consular visé for passports of foreigners seeking to visit the United States is one of the principal instruments for excluding undesirable propagandists. Consular reports on the enemy affiliations of trading firms have formed the basis of much of our War Trade Board and blacklisting activities during the war. In short the Service is, to a surprising extent, the custodian of rights of nationality. And when nationality is established its possessors turn first of all to the Consuls for redress and shelter against improper restrictions or against denial of fair treatment abroad; so that informal consular intercession with foreign courts and officials is one of the most valuable rights of citizenship for Americans.

It is so easy to enumerate Consular duty after duty, of a kind to appeal to men who love solid and useful work, that many descriptions of the Service degenerate into interminable catalogues of functions. I will enumerate, only to dismiss, the following:

Documentation of merchandise, by invoices, manifests, declarations, etc.

Immigration duties, in giving information to intending immigrants and to the United States Department of Labor.

Income tax duties.

Services to pensioners of the United States.

Exchanges of official documents and data.

Animal quarantine and plant quarantine duties.

Public health duties, in supplying reports of epidemics, issuing bills of health, etc.

The vast and highly diversified fields of consular endeavor, as I have meagerly sketched them, explain the hold with which the Consular profession grips men who once enter upon it. Work is the lure which draws them and the fascination which binds them in a steadfast loyalty. Few indeed are the vocations which can offer a finer stimulation to men who find their happiness in hard and important tasks.

And yet I must mention one other factor which might well be equi-potent in attracting men to the Consular calling, namely,

the representative duties of Consuls. In any brief disquisition upon consular functions, prominence is usually given to the legal fact that Consuls do not formally represent the sovereign power of their home nation to the sovereign power of the nation to which they are accredited, and, having thus no diplomatic status, are "mere fiscal agents."

This lack of representative capacity is factitious, not real. Consuls are for all practical purposes recognized the world over as representing the nations which send them. Brought incessantly into every-day contact with foreign peoples in all walks of life the Service interprets and typifies America to thousands of foreigners in the most practical manner possible. The reputation and honor of our people abroad rest, more than upon any other single contact, upon the contact of our Consuls with the men and women of other lands.

The Consul under the law of nations is an official not only of the state whose commission he bears but also of the state which invests him with power by its exequatur. While he may not conduct overt political negotiations he is expressly charged with the furnishing of information and comment on international political troubles. He must be eyes and ears for our Government, even if not its mouthpiece. So that even aside from his power to make friendships or enmities for our nation by his active conduct and acquaintanceships among foreign peoples the Consul is burdened with a *de facto* representative capacity which spurs him to yield his utmost to his work.

The Consular profession, then, is one of arduous and responsible endeavor, seeking and selecting for its service men who care for lives of overflowing labor and usefulness. It is an ideal vocation for men of the type described in Chapman's famous lines:

"Give me a spirit that on this life's rough sea
Loves t' have his sails filled with the lusty wind,
Even till his sail-yards tremble, his masts crack,
And his rapt ship run on her side so low
That she drinks water and her keel ploughs air."

STATEMENT BY HON. WILBUR J. CARR, DIRECTOR
OF THE AMERICAN CONSULAR SERVICE

There should not be overlooked one most important phase of consular work, namely, work of a political character. For example: Since 1914 the Consuls in Russia and Siberia have been engaged exclusively in protecting interests—our own and those of the Allies and for a time those of Germany and Austria-Hungary,—in gathering information and in obstructing the activities of the enemy, particularly those designed to destroy the morale of the Russians and obtain from Russia materials needed for the prosecution of the war.

For five years and more the Consuls in Mexico have done little else except protect American citizens and their property, keep the Government informed of political activities of various kinds and, during the war, aid in preventing American merchandise shipped to Mexico from getting into the hands of the enemy.

In Costa Rica, for more than a year after the withdrawal of the diplomatic representative and the severance of relations with that country, the United States depended wholly upon its Consuls in that country for political information, for protection to American lives and property, and for all other governmental contact with that country.

In China scarcely a day goes by in which Consuls do not have work of a political character to perform, be it intervention with local authorities on behalf of the activities of an American corporation in the district, the right to construct warehouses, the protection of American missionaries whose lives have been endangered by local disturbances, or other similar questions.

In Turkey Consuls have always devoted perhaps the major portion of their time to the care of the interests of American missionaries and mission schools, of the rights and privileges of American corporations and business houses operating in Turkey, and the protection of the lives and property of individual Americans living or traveling in that country.

In South America there is a certain amount of consular work which is always of a political character. Only a few weeks ago two Consuls were dispatched to South America solely for work of political nature not directly related to the commerce of the United States and yet invaluable in its indirect relation to the

advancement of American commerce in the particular section to which the officers were sent. All of this is political work.

It will be obvious why the foregoing needs emphasis. It is so easy in our enthusiasm for the commercial work of the consular service to forget that that branch of work after all is one of comparatively recent origin and that the older tasks still remain and are still practically as important as they were many years ago. There must be no disposition to forget these older and enormously important functions and think of Consuls merely as trade drummers and, therefore, to be utilized to greater advantage as part of a mere trade promoting agency rather than as part of the machinery for carrying on international relations. It seems to me important that we should keep clearly in mind all the important duties of consuls rather than only certain portions of them.

LEGISLATION FOR THE IMPROVEMENT OF THE DIPLOMATIC AND CONSULAR SERVICES OF THE UNITED STATES.

Public opinion is rapidly crystallizing on the necessity of a thorough reorganization of our diplomatic and consular services. The indifference and apathy on the part of the nation at large, which were largely responsible for the comparative neglect of these most important branches of the State Department, have been, to a large extent, dispelled by the same cataclysm that awakened our national conscience to a sense of its obligations as a world power. We have, moreover, as Maurice Francis Egan puts it, been shocked out of our complacency by the revelations at Versailles where the astounding determination of the various countries to take their own wherever they could find it has opened our eyes to the necessity of having a properly equipped diplomatic service permanent and dignified, directed by a permanent Department of State no matter who its head may be.

The men of vision, forethought and patriotism uninfluenced by provincial political partizanship who have labored with but scant thanks for the improvement of our foreign service are quick and glad to admit the superior qualities and successful execution of duties conspicuous in many of our diplomatic representatives previously appointed under the Jacksonian principle "To the victor belongs the spoils." The record of our foreign service during the Great War is a proud page, but the honor is due to the courageous personalities and strong characters of the appointees, not to the system under which they were appointed. They were capable men confronted by a crisis in which the odds were all against them; how grave the responsibilities were and how heavy the odds were when the supreme test came in July, 1914, may be judged from the following table compiled by the Committee on Foreign Service of the National Civil Service Reform League:

THE DIPLOMATIC CORPS ON AUGUST 4, 1914

[Comparative table showing the diplomatic experience of the representatives of France, Great Britain, and the United States at the important European posts when the European War broke. The table indicates the experience of the

respective Ambassadors and Ministers at their posts and the previous training fitting them for the discharge of their duties.]

<i>Diplomatic Representative</i>		<i>Length of Service at Post Prior to Aug. 4, 1914</i>	<i>Previous Diplomatic Experience</i>
BERLIN			
France	J. Cambon	7 years	10 years
Gt. Britain	Edw. Goschen	6 years	39 years
United States	J. W. Gerard	1 year 16 days	0
BERNE			
France	J. B. Beau	3 years 2 months	27 years
Gt. Britain	E. M. G. Duff	1 year 1 month	25 years
United States	P. A. Stovall	1 year 2 months	0
BRUSSELS			
France	A. Klobukowski	3 years 2 months	22 years
Gt. Britain	F. W. Villiers	8 years 6 months	21 years
United States	Brand Whitlock	8 months	0
CONSTANTINOPLE			
France	L. M. Bompard	5 years	27 years
Gt. Britain	Louis Mallet	10 months	20 years
United States	H. Morgenthau	11 months	0
LONDON			
France	P. Cambon	16 years	16 years
Gt. Britain	-----	-----	-----
United States	W. H. Page	1 year 4 months	0
PARIS			
France	-----	-----	-----
Gt. Britain	F. L. Bertie	9 years	22 years
United States	Wm. G. Sharp	2 months	0
PETROGRAD			
France	G. M. Paleologue	7 months	31 years
Gt. Britain	Geo. W. Buchanon	3 years 8 months	35 years
United States	Geo. T. Mayre	1 month	0
ROME			
France	P. E. Barrere	16 years	17 years
Gt. Britain	J. R. Rodd	5 years	25 years
United States	Thos. N. Page	1 year 2 months	0
TOKYO			
France	A. Gerard	8 years	26 years
Gt. Britain	W. C. Greene	1 year 8 months	35 years
United States	G. W. Guthrie	1 year 3 months	0
VIENNA			
France	A. I. Dumaine	2 years 3 months	35 years
Gt. Britain	M. W. Bunsen	9 months	26 years
United States	F. C. Penfield	1 year 1 month	12 years
WASHINGTON			
France	J. Jusserand	12 years	26 years
Gt. Britain	C. A. Spring-Rice	1 year 4 months	31 years
United States	-----	-----	-----

Although these men weathered the storm with credit it must be remembered, as the same committee points out:

“ . . . in the first instance diplomats and consuls are the agents who have for their primary and highest function the preservation of peace. They are quick to report every little ripple of irritation caused by the un-intelligent application of national regulations and policies. They recommend acts of conciliation; they foresee the rising storm of international jealousy; often in time to avert it. The diplomat is by nature a man of peace, and the members of the foreign service will ever remain the great instruments to foresee and to forestall the outbreak of international controversy. This is the moment to strengthen them in their work of peace-making and they can only be strengthened by a feeling of national support in the carrying out of their mission. It is essential that the agents selected be of the highest capacity obtainable in the whole country.”

The disadvantages which operate as a positive bar against the entrance into the foreign service of qualified and ambitious young Americans can never be removed until the service is made a permanent career, and an acknowledged profession. At present it is neither. The salaries are utterly inadequate and the tenure of office is, to say the least, precarious.

Unless our foreign service is thoroughly reorganized on sound business principles without delay, we must pay the penalty in loss of foreign trade and prestige much more swiftly and to a greater degree than those at home have any conception of. The entire system should be remodelled solely with a view to the highest efficiency from the top to the bottom. The career should offer not only adequate compensation, but likewise insure a future, so that young men of talent could look forward to steady advancement with the same degree of confidence as those who enter our large banking or commercial enterprises. In other words, it should be possible for a young man of ability who begins as a clerk eventually to become an Ambassador through merit alone.

All foreign countries, and especially our chief competitors in the world's markets, are either preparing or are actually carrying out reforms in their several systems of foreign representation to meet the altered conditions.

The European services have heretofore suffered from over-organization and lack of adaptability; ours, on the other hand, has suffered from too little organization.

That serious attempts are now being made to improve the admittedly unsatisfactory conditions is evidenced by the bill H. R. 11058 introduced by Mr. Rogers in the House of Representatives on December 10, 1919, designed to effect the reorganization and improvement of the foreign service of the United States. It may or may not be that this bill as drafted goes far enough but at any rate it is a gratifying recognition on the part of legislators of a crying national need. Besides providing for more worthy salaries and a more equitable method of promotion the bill inaugurates a highly commendable system of definite training for foreign service.

Section 14 reads as follows:

"Sec. 14. That the Secretary of State is directed to designate, from time to time and after special preliminary examination, Foreign Service pupils, who shall be not less than eighteen years of age nor more than thirty years of age, who shall be required to attend such university as he may prescribe during a period of not less than three years, and who shall follow courses of instruction at such universities as shall be prescribed by him, and who, having successfully passed such examinations as may be prescribed at the conclusion of their course of study, may be recommended for appointment as Foreign Service officers of class nine in the Foreign Service of the United States; and such pupils in the Foreign Service as may be so designated shall be under no expense while following the prescribed courses of study, either for subsistence or tuition, but shall enter into a contract in writing that if appointed Foreign Service officers, class nine, of the United States of America, they will remain in the Foreign Service of the United States during a term of years not exceeding five from the date of such appointment."

EDUCATION FOR THE BUSINESS OF EXPORTING

BY DR. R. S. MACELWEE

*Assistant Chief, Bureau of Foreign and Domestic Commerce;
Lecturer on "Ports and Terminal Facilities,"
Georgetown School of Foreign Service*

The relation of commercial education for the exporting or shipping office to the entire subject of education in general may be fixed at the start. Vocational education for an export department job of a certain grade and age is added to the proper educational foundation that a person may reasonably be expected to have at that age. The person who takes up the study of foreign trade as a vocation should have the best possible cultural and commercial school background. For this education we have the established schools.

The basis for planning any vocational education for exporting or for the steamship business, or for any other similar career, is the analysis of the position that a person of a certain age may be reasonably expected to fill. In other words, the first step before planning courses is a job analysis of the exporting business. This job analysis has been made for the steamship business as a basis for steamship-operation courses. Six manuals and a bulletin on how to teach them are being written now for next winter's courses. The United States Shipping Board, the Federal Board for Vocational Education, and the Bureau of Foreign and Domestic Commerce are interested in this.

GENERAL EDUCATIONAL GROUNDWORK OF CLERKS IN EXPORTING OFFICES

In a job analysis we look over our office force and find the largest number of employees in Group I. Most employees come into the exporting office from high school in junior clerical positions. Those who come in before they finish high school are a smaller part and those who have had the advantage of going to college are also exceptions. The great majority of the young people who start in business are fortunate if they are high-school graduates.

If we look over the home office, we find that in addition to the army of young clerks of high-school age in Group I, we have



OPENING LECTURE, SCHOOL OF FOREIGN SERVICE, OCTOBER 2, 1919

Group II, comprising senior clerks and assistant managers who have been in business for several years. They may have come into the business from high school, or from grammar school even, and worked up slowly, or they may have come in as college graduates and have worked up with fewer years in business because of their superior educational equipment. Other things being equal, it is now generally conceded that the person with the college education will eventually catch up to and pass the person with the same ability who has not had this advantage. Confusion arises in comparing men of different natural capabilities. In the home office, then, we have junior and senior clerks and junior and senior managers.

EDUCATIONAL PREREQUISITES FOR FOREIGN SERVICE

Persons in service overseas constitute Group III. To be sent by the house into foreign service is an advancement. The preparation for this service requires more than the experience as a clerk or as a junior manager in the home office or as a successful salesman. Foreign service for the firm demands all the training in language and knowledge of foreign affairs that will make a man or woman successful as a salesman or a buyer or a branch manager overseas. The special training for this advanced service requires the prerequisite of more mature business experience and mastery of technical subjects in school and on the job, and also more mature years. Courses of reading and training for overseas service are, therefore, not of high-school grade, but of university post-graduate grade—even if not taken for credits toward a Ph. D. The student is now 10 years older—say 26 years.

Under this group of service abroad we must also add the manager and specialist of a division of the home office that deals with the business of a specific commercial area of the world, such as the Far East, Latin America, or Russia. The manager of such a division should have had actual foreign experience in the particular area. The clerks may be trained here at home by proper courses of study.

MANAGERIAL APPRENTICESHIP SHORTENED BY VOCATIONAL TRAINING

Therefore in reply to our question "Whom shall we teach?" a job analysis of the entire business organization shows us that

we have the three groups enumerated: (1) clerks, (2) managers at home, and (3) those persons in service overseas specializing in certain parts of the world.

It must be decidedly emphasized at this point that this category of clerks, managers, and foreign service represents a progression in the responsibilities and age of the individual covering roughly 20 years, and therefore an increase in the breadth and depth of the knowledge of the technique and markets of foreign trade that the individual must have. There is an average age of employee for certain positions, because of the degree of experience and responsibility demanded by the position. For argument, we may say that he enters at 16, is a salesman abroad at 26, and a manager at 36. For the boy or girl entering an export office it is usually at least a 20-year pull to the position of manager. Obviously the training for the job will progress accordingly. Yet the object of the training is to cut down the 20 years by substituting vocational teaching for some of the slowly acquired experience. For instance, by studying until 19 or 20 the managerial or foreign-representative rank may be reached at 30—a net gain of six years in a young man's life in addition to greatly increased efficiency all along the line of progression. The college graduate may start five or six years later, but because of superior training and mental discipline should arrive several years sooner at the managerial grade. His training should cut down the unproductive years.

STUDIES ESSENTIAL TO SUCCESS IN FOREIGN TRADE—VOCATIONAL TECHNIQUE

One's own experience has a strong influence on one's opinion, and it is only fair to state my own bias. After only one year of high school I went to work for a European office of the Kodak Company (Ltd.), London, and worked for them for several years. Subsequently I managed to work through preparatory school, Columbia University, and to a doctorate, and my sympathy is frankly with other fellows in the same situation—the ones who must go to work before even finishing high school and continue their education on the side.

We now face the question of "What to teach?" Again we have three classes of studies: (1) We have the technique or routine of the practice of exporting; (2) we have market studies

by major-commercial areas; (3) we have the language studies. These three must also be kept clearly in mind as separate entities. The question as to which one of these is the most important recalls the reply of Andrew Carnegie to the question—"Which is the most important in industry—capital, labor, or management?" And Mr. Carnegie is said to have replied by asking the question, "Which is the most important leg of a three-legged stool?" Each has its place. It is conceivable that a stool may have one leg. The first leg and the one by which the largest number of individuals may be supported, if no other legs are available, is the first group of studies—the practical mastery of the technique or routine of exporting. Skill in the technique of conducting foreign trade is the first support of vocational education. Incidentally it corresponds to the duties of the youngest and most numerous members of the office forces. Technique comprises two groups of subjects: (1) Those that are elementary and specific and (2) those that are advanced and general. In commercial education we have long since come to the belief that in the beginning of the study there should be a group of practical subjects that will fit the pupil of a certain age to hold the best position it is reasonably supposed that a person of his years and maturity can fill satisfactorily. The first courses should teach him something definite, to hold a definite job. Upon these can be built up all the other courses which take a youth forward in his knowledge along with his advancement in years until he is master of all the details of business administration.

ELEMENTARY TECHNICAL STUDIES

The basic routine studies are the paper work or document technique of foreign trade. The new employee must know how to handle all those papers that he is called upon to fill out and to pass along. In order to know what his particular function may be in filling out a certain kind of form, he must know the position of those forms in the entire process and history of the export order, with the 20 or 30 steps from the time the catalogue is sent to a prospect overseas until the money is received for goods sold.

Second, he must know the geography of commerce. This is not the geography of individual countries as such. This means a study of the movements of the great commodities that enter

into the world trade from the world viewpoint, and also a close study of place geography while making this study. The mistakes made by clerks who do not know place geography, or the commodities of trade, are only exceeded by those made in paper work.

Third, a knowledge of the various selling channels—the various kinds of offices for handling, expediting, and consummating overseas sales.

A fourth course may be added, either on the principles of ocean transportation or on packing for export or on foreign-trade correspondence.

These four or five subjects form the groundwork for the first leg of our visible means of support. Given to pupils of senior high-school grade, this group of four or five courses, with a language, would be a year's work. However, a college graduate, or a doctor of philosophy, if he were going into an exporting office, should know these subjects exactly as if he were going to be engaged to do junior clerk's work alone. It is probable and highly desirable that he start as a clerk to learn the business from ground up.

ADVANCED TECHNICAL STUDIES

After these practical, elementary, bread-and-butter-get-a-job studies—that compare with stenography, typewriting, and book-keeping in commercial education in general, there are many advanced courses of technique.

These advanced courses in technique may be indicated simply by the following titles: (1) Foreign Exchange, (2) Foreign Letter Writing, (3) Tariff and Tariff Policies, (4) Foreign Credits, (5) Export Combinations and the Webb Law, etc. There is a zone of doubt as to whether some of these could be successfully included in courses of high-school age and grade. Experience will teach us many things. Also, many more specific unit courses will be added with time.

Obviously, most of these subjects are too advanced for the beginner, and are suited only to senior clerks or junior managers. It is hardly practical to think of teaching these advanced technical courses in high school. The student can not be sufficiently mature to grasp these subjects at that age, nor be reasonably expected to have occasion to practise them for several years.

FOREIGN TRADE A PROFESSION—TECHNICAL LITERATURE IN PRESS

The mere enumeration of titles is bootless for advancing foreign-trade education. We have long since left the stage and development in our foreign-trade education when we can give a course on foreign trade. Foreign trade is a profession, just as engineering—not a subject for a course. In order to have enough knowledge on any one of these subjects to induce an employer to hire a man for that particular work, the subject must be gone into in great detail—and in the most practical way possible. From this point of view it has been necessary to create a new literature—and this process of creating a new literature has only started. As the demand increases, we will have practical men cooperating with professional teachers in bringing out the printed results of their careful analyses of various phases of this great profession.

To begin with, it is necessary to write a practice course in the document technique of foreign trade. This manual will be the joint product of an assistant export manager and a professor of foreign trade—Messrs. Paul and Snider. It has been submitted in manuscript and is about ready to go to press. Likewise, the course on “Selling Methods,” compiled by Dr. Snider, is in press and will appear before next school year. These two new manuals are joint products of the Bureau of Foreign and Domestic Commerce and the Federal Board for Vocational Education. Also an export manager and a professor have combined to produce a book on “Foreign Correspondence.” A book on “Foreign Advertising” is in the mill, and also one on “Foreign Credits,” and another on “Packing for Export.” It is, however, doubted whether these last two or three will be ready for next winter’s work. The fact that we are trying to bring out right at this stage is this—we have passed the day of glittering generalities and must now get down to details and concrete studies of the practical facts involved in conducting an export business. Needless to say, these publications are not intended only for students in school; any export man to-day is or should be a close student of all those things that will help him in a better knowledge of his work. Education in the broadest sense means much more than simply going to school.

NECESSITY OF FOREIGN MARKET STUDIES

A stool with one leg is rather wobbly. A study simply of the technique or routine of exporting, whether it be letter writing, tariffs, or documents, is not sufficient. Let us now put on the other two legs of the stool.

The first of these two is market studies. Market studies are important for the manager at home, and for the salesman or manager who goes abroad. In the very nature of the subject we are now dealing with a mature student.

Market studies present a unique and difficult problem. It is obvious that no one man can know enough about all the world to have his knowledge on any part of it worth an addition to his pay envelope. To make this knowledge valuable it must be specialized and specific. Again we must be technical; again we must be very practical.

Obviously the world must be divided in order to make it possible to study parts of it with sufficient intensity to render the knowledge of any area of real commercial value. The Federal Board for Vocational Education is taking the Shipping Board map and using that as a basis for the market studies for advanced foreign-trade education.

CURRICULA FOR STUDY OF FOREIGN COMMERCIAL AREAS

Chiefs of divisions of the Bureau of Foreign and Domestic Commerce are cooperating in the production of commercial area curricula.

If a man is interested in a certain part of the world, either in the home office or because of a contemplated sales trip abroad, or because he expects to go out and take up his residence as a representative in a certain commercial area, he desires to learn all he can about that area in as short a period as possible. These curricula, therefore, will try to make it possible to give a 15-week intensive training in the major outstanding features of commercial areas and the languages that are used there. Thinking again in terms of the evening continuation school, we would have three evenings a week, in which one hour and a half would be devoted to intensive language practice, and the other hour and a half each evening to one of the following three courses: (1) History, government, and institutions; (2) geography, resources, transportation, population, trade statistics, etc.; (3) methods and prac-

tices of commerce of one trade region. The fixed purpose is to fit a man to go to a certain part of the world and to sell his goods there.

NECESSITY OF PRACTICAL FOREIGN LANGUAGE STUDY

The third leg of the stool is language proficiency. If one stops to think about it and realizes that there are 10 or 12 important commercial languages, and that in each one of these languages there may be 50 different trade vocabularies, the impossibility of any one person studying languages for world trade in general, without a particular field in view, is at once apparent. Language education in school from an early age is desirable to form the language habit. I believe that French or Spanish or both are the most generally in use. But language pedagogy must be radically changed. A live modern language or two should be taught in the schools from an early age, provided, of course, that it is well taught. Such language study is cultural and fundamental, as well as utilitarian.

However, when one begins to study a commercial area with the object of conducting business for the firm with or in that area, or of going there soon the necessity of learning the principal language of that area, to use it in selling goods, is utilitarian. The time is short, the need great, the necessity of ever having to learn that language perhaps unanticipated. This means that one must learn to understand and speak it and to write a respectable letter in it, and quickly. Our evening-school students are studying the language to be able to sell goods in it. The language is a tool, not a decoration. It is for a strictly vocational use, not primarily a cultural grace. Nevertheless, the cultural value will not be lost upon your representative if he is a person of culture. When the foreign language becomes a living thing to him, and he has a cultured background from school or college, and is fond of reading, the literature of that country will be a delight.

THE OLD CLIPPER DAYS *

JULIAN S. CUTLER

The old Clipper days were jolly, when we sailed the Seven Seas,
 And the house-flags of our merchant ships were whipped by every breeze;
 It was good-bye to your mother and the pretty girls on shore,
 For we're off around the howling Horn, bound down to Singapore.

We romped the rushing trade-winds, and we raced the big monsoon;
 We carried reeling royals from Manila to Rangoon;
 We were chased by Malay pirates from Natura to Penang,
 And we drove her scuppers under to outsail the cut-throat gang.

We went rolling in "The Doldrums" till the tar oozed from our seams;
 We went pushing through the ice-pack till the pressure cracked our beams;
 And old Mother Carey's chickens wheeled around us o'er the brine,
 While we entertained Old Neptune when he hailed us on the line.

Those were days to be remembered, when our good ship sailed away,
 From the old home port behind us, to Calcutta or Bombay;
 When we sold the Heathen nations rum and opium in rolls,
 And the Missionaries went along to save their sinful souls.

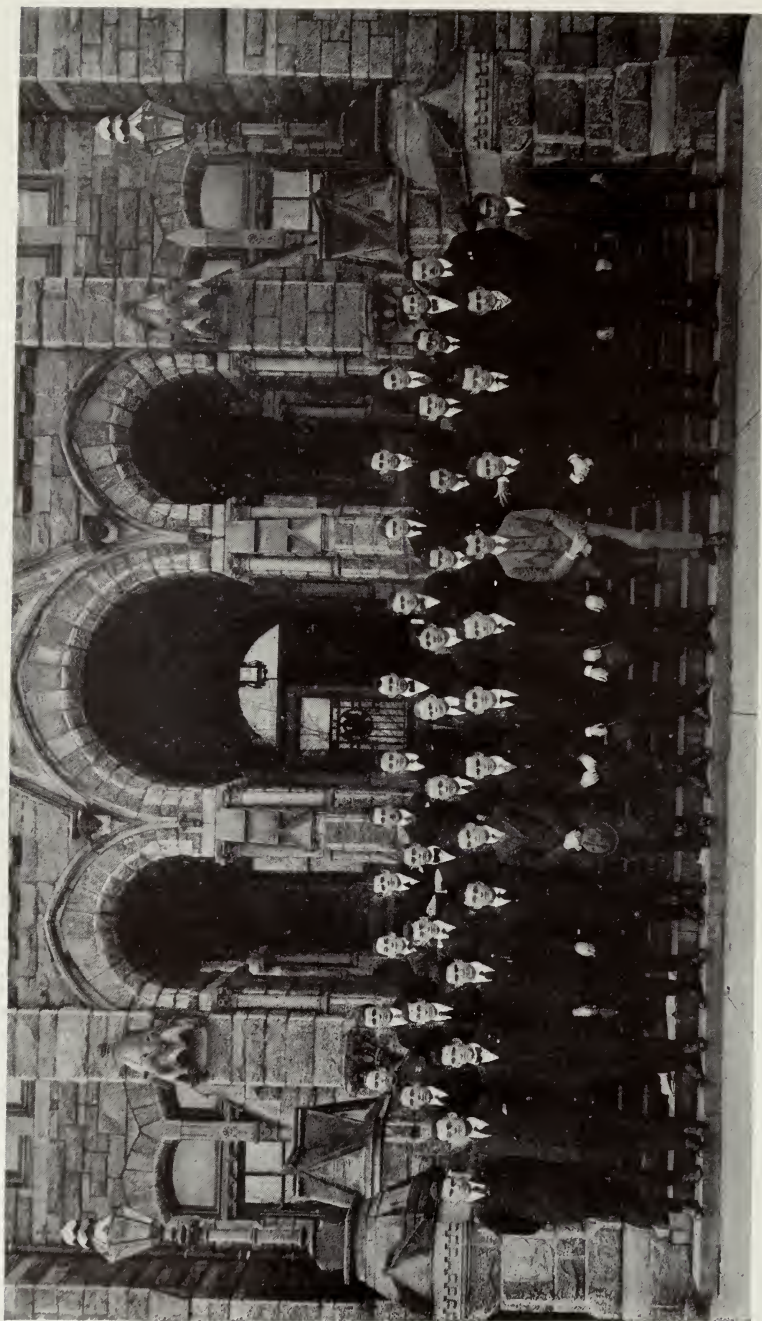
It was "Bundle out, my bullies, and we'll give the sheets a pull;"
 It was "Ease her off a little, till the topsails stand rap full;"
 It was "Scrub the decks, my Jackies, and we'll take the sun at noon;"
 It was "Sou-sou-west-half-south, my boy, beneath the Southern moon."

We raced across to Africa with "dicker" in the hold;
 We traded beads and calico for ivory and gold;
 We raised the Northern Dipper as we sunk the Southern Cross,
 And when we figured up the run the owners felt no loss.

Then 'twas "Home again, my bullies," with our bows knee-deep in foam,
 To the mother that was waiting and the happy ones at home;
 It was home from old Calcutta or Hong Kong or far Bombay,
 To the land we loved to think of when our hearts were far away.

.

* Quoted from "*Some Merchants and Sea Captains of Old Boston*," published by State Street Trust Company, Boston.



A GROUP OF EX-SERVICE MEN TRAINING FOR FOREIGN SERVICE ON SCHOLARSHIPS AWARDED BY THE COMMITTEE ON WAR ACTIVITIES OF THE KNIGHTS OF COLUMBUS, (47 SUCH SCHOLARSHIPS WERE ALLOTTED TO THE SCHOOL OF FOREIGN SERVICE BY THE KNIGHTS OF COLUMBUS AND 15 BY THE FEDERAL BOARD FOR VOCATIONAL EDUCATION)

LETTER FROM THE "SCHOOL OF POLITICAL
SCIENCES," PARIS

In organizing the Georgetown University School of Foreign Service, the authorities of the University have duplicated substantially the constitution of the great French school, *L'Ecole Libre des Sciences Politiques* of Paris. The establishment of cordial relations between the two schools has been effected through the courteous kindness of the French Embassy in Washington and the Minister of Foreign Affairs in Paris. Accompanying a valuable set of documents that have proved to be especially helpful in the construction of the Georgetown school came the following letter from Paris:

Ecole Libre
des
SCIENCES POLITIQUES
27, Rue Saint-Guillaume, 27
PARIS, 7^e

PARIS, le 5, Mars, 1919

Monsieur le Président:

J'ai l'honneur de vous faire parvenir, de la part de M. le Directeur de l'Ecole Libre des Sciences Politiques et sur la demande de M. le Ministre des Affaires Etrangères, quelques livrets-programmes où vous trouverez tous les renseignements relatifs à l'organisation des cours de l'école et des brochures qui vous feront connaître les conditions dans lesquelles l'Ecole a été fondée et s'est développée.

M. le Directeur me charge encore de vous dire qu'il est particulièrement honoré de l'attention que vous voulez bien donner à l'Ecole des Sciences Politiques et qu'il se fera un devoir et un plaisir de vous donner toutes les informations complémentaires qui pourront vous être nécessaires et de favoriser, par tous les moyens en son pouvoir, l'établissement de rapports fréquents et durables entre l'Institution qu'il dirige et celle que vous présidez.

Veuillez agréer,
Monsieur le Président
l'expression de mes sentiments
de très haute considération
CAUDEL
Sec. Gl.

A Monsieur le Président
de Georgetown University.

APPRECIATIONS OF THE SCHOOL OF FOREIGN
SERVICE

[*Editorial from the Philadelphia Public Ledger.*]

A SCHOOL FOR FOREIGN SERVICE

Georgetown University is to be congratulated on its decision to make a distinct department of its School of Foreign Service, which it has been conducting experimentally for a period of sixteen weeks. Moreover, the slogan which the University authorities have adopted as their announcement of principles, as it were, is an admirable one. It runs as follows:

World commerce safeguards world peace and promotes the common weal. Having entered upon the stage of world politics and world commerce, we assume world-wide obligations. History is at one with political science and economics in teaching that on the maintenance of healthy trade connections, stimulated by honest competition and governed by the dictates of sound morality, rests to a marked degree the hope of international amity.

But Georgetown is particularly fortunate in that it has had the cooperation of Mr. James A. Farrell, Chairman of the National Foreign Trade Council and President of the United States Steel Corporation, in its proposal to train men for foreign service and also in that Mr. Farrell announces that the school is to be established on "a broad nation-wide basis of sound, liberal, economic principles and American ideals." Moreover, Mr. Farrell in contributing \$20,000 to the proposed fund of \$500,000, which is to be raised to finance the new department, proves his practical interest. In view of the fact that the National Foreign Trade Council has been urging such a department in connection with commercial education directed specifically to our friendly conquest of Latin America, Georgetown should not find it very difficult to secure the money.

Although the School of Foreign Service will be the first of its kind to be endowed along the proposed lines by any national or commercial organization of business men, there is no reason why other institutions should not follow in the lead of Georgetown and develop similar courses. Indeed, while it is true that there are special reasons in view of Georgetown's proximity to Washington which have enabled it to mobilize a faculty of twenty men

available from the commercial personnel in the various bureaus and departments at Washington and in such organizations as the Pan-American Union why Georgetown should be the first in the field, it is a great pity that Pennsylvania institutions let the chance of being first slip by them. For as a matter of historic fact, the Philadelphia Commercial Museum, realizing how much Pennsylvania as an industrial State has at stake, has urged for nearly a generation just such a thing as Mr. Farrell is now working out in Georgetown. A number of nearby colleges and the University itself, which have had large educational interests in the South American problem, have been urged for years to do something. But they took no action, although it was pointed out that if they did develop a school of foreign service, which would turn out the proper kind of technical students equipped in the languages necessary to success in the foreign field, a direct appeal could be made for endowments to the big industries, since asking for money to forward trade would mean a great deal more than asking a successful man "to do something for education" in the abstract.

And in this connection it might be pointed out that while the reconstruction courses that have been added to the evening school curriculum of the Wharton School of the University may have the beginnings of the kind of thing that Georgetown is developing, the local courses, neither in the number of instructors nor in the character of the teaching, cover the field that is called for in the real foreign service department. However, although the school of foreign service has not come to Pennsylvania as might easily have been the case, this State and the country will view the Georgetown experiment with sympathetic interest. For, in view of what Georgetown stands for and its special qualifications, success is assured beyond question, both for the high character of the school and its proper endowment.

[*Editorial from The New York Evening Mail, August 23, 1919.*]

A NATIONAL SCHOOL OF FOREIGN TRADE

The plan outlined by James A. Farrell for the establishment of a great National School of Foreign Trade in connection with Georgetown University, in Washington, ought to be made an im-

portant phase of our effort to avail ourselves of the opportunities offered by the period of world reconstruction.

One of the most serious handicaps that have hampered America's foreign trade in the past has been the lack of trained men. To that lack is traceable the loss of many an opportunity for the extension of American trade in foreign markets. To the same deficiency in our equipment is due the loss of many a market which we already had successfully invaded.

Secretary Redfield recently told a story that illustrates vividly the value of expert study of trade opportunities in foreign countries. In one of the South American countries a large Indian population wanted bright-colored calicoes for clothing. The Americans produced the bright-colored cloths, but the Indians refused to buy them. An attempt by the British to supply the goods met with failure as complete. The Germans sent a learned professor to the region in question. The professor, who was an archaeologist, discovered that the reason why the Indians would not buy the American and the British cloths was the use of colors in the stamped design, which they regarded as unlucky. The German manufacturers omitted these colors from the design on goods which they turned out for this particular trade, and the Indians snapped up the product and called for more every year.

It is largely in the spirit of such a profitable study of foreign needs that the school for the establishment of which Mr. Farrell, chairman of the National Foreign Trade Council and president of the United States Steel Corporation, has made the initial contribution, will be conducted.

We have no doubt that the business interests of the country will see the value of such a school, organized on broad lines, and that the resources necessary for its establishment and maintenance will be quickly forthcoming.

SPECIMENS OF FINAL EXAMINATIONS IN THE
SCHOOL OF FOREIGN SERVICE

(Not all the modern languages are exemplified here, as oral examinations constitute the main test. One typical written examination is included, however, that in Spanish, as this language was the favorite choice in the first class.)

SPANISH (ELEMENTARY)

June 9, 1919. Two hours

1. You own a certain business in Washington and handle only the best goods. You have a good market in the United States, but you wish to extend your market abroad. You believe a good market is to be found in Argentina where you want Mr. Juan Pérez, whose address is, Calle Callao, No. 327, Buenos Aires, to be your agent. Write to him on this subject, and tell him you offer 20% on all sales made. Ask him, if he accepts, what his conditions would be. Not less than 75 words. (30.)
2. Write a description of Washington. Not less than 75 words. (30.)
3. Translate the following into Spanish:
 1. Give it to me. (Singular and plural.) (4.)
 2. Read it to them. (2.)
 3. Open the door. Open it. Do not open it. (6.)
 4. Bring me your book. Do not bring it to me. (4.)
 5. How old are you? I am.....years old. (4.)
 6. It is very cold and I am very hungry. (4.)

Write four sentences using the present subjunctive of *ir*, *comprar*, *vender*, *escribir*. (16.)

SPANISH (ADVANCED)

June 9, 1919. Two hours

1. How is gender determined in Spanish? (*b*) State what you know of the use of the neuter article. Give examples under (*b*).
2. What are the points of difference between the verbs *ser* and *estar*? Give examples.
3. What are the various uses of the verb *haber*? Give examples.
4. Translate into Spanish: (*a*) Whose is that which I see there? (*b*) What is it? (*c*) That which you see is nothing. (*d*) It must be something if I see it.
5. When is the English "*but*" translated into Spanish by *sino*? Give examples.
6. Translate into Spanish: (*a*) It is one thing to know one's self, another to correct one's self. (*b*) He brought it to me. (*c*) Do not oppose yourself to me. (*d*) I brought it to them.
7. Give the present tense of the indicative mood of any three Spanish verbs that may represent, respectively, three general classes of irregular verbs. (*b*) State the characteristic feature of the irregularity in each case.

8. After what tenses of the indicative mood, in the principal clause, is the present of the subjunctive used in a dependent clause?
9. Translate into English the following letter:

Hacienda de Sn. José Valtierra,
Junio 16 de 1919.

Señor Dn. Enrique Moran,
Calle de Gante No. 575,
México.

Muy Señor mio y amigo:

En una hacienda vecina he visto, últimamente, una trilladora de construcción inglesa, que me pareció muy buena. Dicha máquina es para la trilla del frijol, y no solamente deja bien limpia la gavilla, sino que también tiene un aparato por medio del cual queda separado el grano en diversas clases, según su tamaño. El único mal que le encontré a esta trilladora es el costo de ella, que me parece excesivo. Quisiera, pues, saber si la casa que V. representa fabrica alguna máquina de la clase indicada, y, si la fabrica, el precio y la fecha en que podría V. entregarla en esta finca.

Sin más por hoy, y en espera de su amable contestación, queda á las órdenes de V. su afmo. S. y amigo.

JUAN DE SOTOMAYOR.

10. Write an answer to the above in Spanish; the body of the answer need not contain more than fifty words.

APPLIED ECONOMICS

June 12, 1919. Two hours

1. What is the Law of Comparative Costs?
2. What is meant by "favorable balance of trade"?
3. Name the leading official and private agencies in the United States for promoting our foreign trade.
Outline briefly the organization of the U. S. Department of Commerce.
4. Discuss bills of exchange and their functions in foreign trade.
5. What are "ad valorem" and "specific" duties?
6. Discuss briefly several arguments for and against:
 - a. Protection.
 - b. Free-trade.
7. Discuss briefly the corporation form of business organization and its advantages.
8. Discuss briefly the Federal anti-trust legislation in the United States.
9. Name several examples of unfair competition on the part of American trusts.
10. Discuss the "Webb law."
11. What is meant by resale price maintenance? Illustrate and give arguments for and against this practice.

STAPLE COMMODITIES OF WORLD TRADE

June 18, 1919. Two hours

1. Summarize the physical and economic conditions that favor the production of each of four of the following: wheat; sugar beet; rye; tea; wool; butter. State for each the chief areas of production; of export; of import.
2. Discuss the significance of vegetable oils as an article of international trade. What are the chief sources of supply?
3. Locate and characterize the sections of the world that possess the Mediterranean type of climate. What are the chief export products from these regions?
4. You are manager of the export department of a firm manufacturing hydro-electric machinery and supplies. State, with reasons, two sections of the world where you would make special effort to develop your business.
5. (a) Why has the U. S. heretofore exported so little coal?
(b) Should the U. S. now attempt to develop the export of coal? Give reasons for your answer.
6. Compare Great Britain and the United States as to advantages for the manufacture of iron and steel.
7. Discuss the tropics (1) as a source of imports into the U. S.; (2) as a market for U. S. exports.
8. What will be the probable effect on future South American trade of Brazil's resources of iron?
9. Will the large development of a cotton manufacturing industry in China be beneficial to the development of U. S. foreign trade with China, or the reverse? Explain.
10. (a) What feature of this course was to you most valuable?
(b) What is your chief criticism of the course?

LATIN AMERICAN TRADE PROBLEMS

June 19, 1919. Two hours

Answer Questions 1 and 2 and any 3 of the others

1. Write brief paragraphs on the following, locating the regions chiefly associated with any commodities mentioned: Petroleum areas, Cacao fields, Copper mines, Banana production, Coal, Sisal, Sugar, Caribbean ports, Pan-American Railway, Quebracho.
2. The effect of climate on trade and industry in Latin America.
3. The effect of the war on the export possibilities of Brazil with special reference to three products.
4. Valorization in Latin America.
5. The distribution of races and the characteristics of populations as affecting commerce.
6. The assignment of agencies in Central America and the West Indies.
7. Which South American countries are best provided with—
(a) Railway facilities.
(b) Natural means of transportation.

OCEAN TRANSPORTATION

June 20, 1919. Two hours and a half

Answer any ten of the questions asked

1. Explain briefly why the world's greatest volume of overseas commerce does not flow between the regions of greatest density of population.
2. *a.* Cite the historical facts which show that commercial pressure was an important condition leading to the discovery of America.
b. What was the commercial result of the discovery of the sea route to India *via* Cape of Good Hope?
3. *a.* State the route followed by and the economic basis for that commercial interchange of our pre-revolutionary period known as the "triangular trade."
b. What principal causes are involved in the disappearance of American marine supremacy after the Civil War?
4. *a.* Locate the North Pacific trade route.
b. What regions does it connect?
c. Give the economic reasons which account for the very much smaller volume of traffic carried over it than over the North Atlantic route.
5. State what, in general, are the great classes of goods characteristic of the movement in each direction over
a. The North Atlantic route.
b. The Mediterranean-Asiatic route.
6. *a.* List five important exports of British India.
b. What economic and geographic facts account for the exportable surplus of these commodities?
7. *a.* Briefly summarize the principal facts relative to the measurement of ship tonnage.
b. Distinguish between the services to shipping interests performed by the two London organizations bearing the name "Lloyd's."
8. Name and briefly describe three important ship's papers.
9. *a.* Distinguish between tramp and liner services.
b. Classify liner services into five types based on class of service performed.
10. *a.* Why has Great Britain achieved such success as an operator of tramp services?
b. Is the United States likely to become a strong competitor in this class of service? Reasons.
11. Discuss the establishment of United States owned and operated steamship lines as to:
a. The regions with which we may expect to develop a profitable shipping business.
b. The class of service which should be provided for each, *i. e.*, passenger-cargo liners, purely cargo carriers, or both, etc.
c. The relative importance of the regions mentioned as to requirements for tonnage.

PORTS AND TERMINAL FACILITIES

June 23, 1919. Two hours and a half

Answer ten questions, average fifteen minutes to the question

1. What should be the relations of railroad terminals in a well coordinated seaport? Name five ports where the railroads are in proper relation to the wharves, and five ports where they are not, either in the United States or abroad.
2. Describe the lighter and state its legitimate uses; also uses to which a lighter should not be put. Compare Hamburg or Rotterdam with New York in this respect.
3. (a) What is the function of a warehouse? (b) What principal types of warehouses are there? (c) Where should the warehouse be located in respect to the wharf?
4. Enumerate five classes of freight, that is, different kinds of freight, and state the kinds of machinery best adapted for handling each kind.
5. Make a hand drawing sketch of what you consider a modern pier, indicating the necessary and proper equipment for such a pier, giving general dimensions.
6. Discuss the reasons why the narrow pier is an advantage in New York City under the present system, and why the piers at Seattle, Philadelphia and elsewhere are made at least twice or more than twice as wide as the largest New York pier.
7. Describe briefly the best possible utilization of the navigable canal or waterway of an interior city that is both a railway and industrial center.
8. Do you consider the Free Port or Free Zone system of advantage to the United States? State the present systems that would be affected by such a Free Zone and why.
9. What is the hinterland of a port; and how and where do Montreal, Baltimore and New Orleans compete for overseas freight?
10. What ports in the United States are capable of taking the large ships that we have acquired from Germany—the *Imperator*, *Leviathan*, *Bismark*, etc.?

EXPORT SALES PRACTICE

January 26, 1920. Two hours

Answer only eight of the following questions, including Nos. 3, 7, 8, 9

1. Discuss the foreign trade of the United States covering the following points:
(a) The importance and rank of the United States as an exporting nation in 1919 as compared with 1913; (b) Our principal markets; (c) The principal products exported.
2. Criticise the contents of the following letter:

COPENHAGEN, DENMARK, *Jan. 21, 1920.*

U. S. Exporting House,
New York City.

Gentlemen:

As far as can be ascertained by us, your company is not represented in this market in any way. In view of our exceptional facilities for handling business throughout all Scandinavia, we would be pleased to enter into negotiations for an exclusive agency for the Scandinavian territory. During the past twenty-five years that we have been in business we have been uniformly successful and believe we would be found to be satisfactory representatives in every respect.

Awaiting your reply, we are,

Yours very truly,

X AND COMPANY.

Is this a good letter? Give reasons for and against.

3. Discuss the various methods of financing an export shipment, noting especially the advantages or disadvantages to the buyer or seller.
 - (a) Why should a bank consider the discounting of a 90-day draft drawn by a large firm, such as the U. S. Steel Products Company, against one of the leading importers in Brazil as a good risk?
4. Discuss fully the advantages and disadvantages of dealing through an export commission house, stating in what markets commission houses are especially valuable as developers of trade. (a) What is the status of the export commission merchant in England and Germany? Are they as important there as here?
5. What are some of the most important points to be considered in the granting of agencies? Explain the different considerations involved in giving agencies in a market such as France as compared with a market like Brazil.
6. Supposing you were the export manager of the Blank Automobile Company which had never had any foreign business and had \$10,000 to spend to develop it, how would you proceed and how do you think you would spend the money?
7. Where would you go if you wanted:
 - (a) General foreign trade information.
 - (b) Foreign credit information.
 - (c) Foreign freight quotations (such as on copper from New York to Liverpool).
8. You have appointed the firm of Jones & Smith as your representatives in Brazil to sell steel, agricultural implements, hardware, cutlery, leather, cotton and woolen textiles, and automobile accessories. What would you want to know from them about (1) packing, (2) import tariffs, and (3) the relations between (1) and (2)?
9. Discuss the Webb-Pomerene Act, (1) naming its five sections; (2) explaining why it was enacted and (3) giving a statement as to developments under it to date.
10. Discuss the proposal that American manufacturers should follow the German example and pay more attention to the tastes of foreigners and manufacture especially for the export trade.

AMERICAN DIPLOMACY

Wednesday, February 4, 1920

1. In what ways did France aid the United States during the Revolution?
2. Describe the good points and the bad points in the Jay Treaty. What action did the Senate take on it?
3. What was the origin of the American policy of isolation?
4. In what ways did England and France violate the neutral rights of the United States during the Napoleonic Wars?
5. Why has there been peace along the Canadian border for more than a century? What was the McLeod case?
6. Why was Great Britain opposed to the annexation of Texas by the United States? What measures did she propose to prevent it?
7. What were the provisions of the treaty of Guadalupe Hidalgo?
8. What were the main provisions of the Clayton-Bulwer Treaty?
9. What was the Cuban policy of the United States prior to the Mexican War?
10. What was the Ostend Manifesto?

CONSULAR PRACTICE

February 5, 1920. Two hours

1. Describe consular invoices, and give four reasons against abolishing the consular invoice system.
2. Name five or more special forms of documenting merchandise (supplementing or substituting invoices).
3. Describe consular bills of health, stating what disposition is made of each copy.
4. Name the quarantinable diseases.
5. Do all states require that legal documents executed abroad be authenticated by consuls? What is a safe general rule?
6. If an American ship arrives at a foreign port damaged, or after storms which may be supposed to have damaged it, what do the master and consul do?
7. Who are American seamen?
8. When is a naturalized American citizen presumed to have forfeited his American status, and how can he overcome this presumption?
9. May American consuls perform consular services for foreign countries? Explain your answer.
10. What points should a consular trade letter contain or mention?
11. What two enclosures should be attached to each consular trade letter? Describe each.
12. Name the principal periodic economic reports which consuls are required to submit.
13. What are some of the qualities which a good consular report should manifest? What points can you mention under painstakingness and correctness in technique?
14. When a complaint is made by an American export firm against a foreign import firm, what can the American consul in the foreign city do?

15. What fundamental underlying principle forms the basis upon which the different nations can tolerate trade promotion activities by foreign consuls?
16. How should a consular commercial reading-room be located and operated?
17. Describe the so-called "Trade Opportunity" system.
18. How does a consul get the facts which he uses in writing trade letters and reports?
19. May a consul vouch for the financial standing of a foreign firm? Of an American firm?
20. On what subjects should consuls report for the benefit of the Department of Agriculture?

QUIZ IN "TARIFFS AND COMMERCIAL TREATIES"

December 8, 1919

1. Name three tariff systems which have been developed and used by modern nations.
2. Define ad valorem duties. Specific duties. Countervailing duties.
3. Name the chief documents by which importers get possession of merchandise in customs houses of the United States.
4. Which one of these documents carries title to the goods?
5. Discuss the reciprocity treaty of 1875 between the United States and the Hawaiian Islands.
6. Discuss free ports.
7. State what the Industrial Revolution was and its significance in the development of commercial policy.

UNIVERSITY OF ILLINOIS-URBANA



3 0112 110185912